

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0701.01 Richard Sweetman x4333

HOUSE BILL 25-1165

HOUSE SPONSORSHIP

Paschal and Soper,

SENATE SPONSORSHIP

Simpson and Kipp,

House Committees
Energy & Environment

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE MANAGEMENT OF UNDERGROUND ENERGY**
102 **RESOURCES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the geologic storage stewardship enterprise (enterprise) in the department of natural resources (department) for the purpose of:

- Imposing and determining the amount of annual stewardship fees;
- Funding the long-term stewardship of geologic storage

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

- facilities in the state;
- Funding the plugging, abandoning, reclaiming, and remediating of orphaned geologic storage facilities in the state; and
- Ensuring that costs associated with long-term stewardship of geologic storage facilities are borne by geologic storage operators in the form of stewardship fees.

The bill creates the geologic storage stewardship enterprise board (enterprise board) to administer the enterprise.

The bill requires each geologic storage operator to pay an annual stewardship fee for each ton of injection carbon dioxide that the geologic storage operator injects in the state. The energy and carbon management commission (commission) collects the stewardship fee on the enterprise's behalf. All money collected as stewardship fees is credited to the geologic storage stewardship enterprise cash fund, which is created in the bill. Money in the geologic storage stewardship enterprise cash fund is continuously appropriated to the enterprise.

The enterprise and the commission may each adopt rules to implement the bill.

Upon the commission's approval of a site closure:

- Ownership of the injection carbon dioxide, and ownership of any remaining facilities used to inject or store injection carbon dioxide, transfer to the state without payment of additional compensation;
- Except in specified circumstances, the geologic storage operator is released from all regulatory liability associated with the continued storage of the injection carbon dioxide and the long-term stewardship of the associated geologic storage facility; and
- The enterprise undertakes long-term stewardship of the injection carbon dioxide and any associated geologic storage facility.

The bill makes several updates to laws concerning the administration of underground geothermal resources, including:

- Clarifying that "nontributary groundwater" does not include "designated groundwater", as these terms are defined in current law;
- Exempting certain geothermal operations from needing a well permit from the state engineer;
- Requiring the state engineer to notify the operator of a prior geothermal operation of an application for a proposed well, and allowing the operator the opportunity to request a hearing if the application causes concern for material injury to the prior geothermal operation;
- Establishing that the authority to regulate shallow

geothermal operations is shared by the state engineer and the state board of examiners;

- Renaming the state board of examiners of water well construction and pump installation contractors as the "state board of examiners of water well and ground heat exchanger contractors" (state board of examiners); and
- Regulating ground heat exchanger contractors in the same manner that currently exists for water well construction contractors and pump installation contractors.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) Colorado has established statewide emission targets to reduce
5 greenhouse gas emissions based on the levels that existed in 2005,
6 including a 26% reduction by 2025, a 50% reduction by 2030, a 65%
7 reduction by 2035, a 75% reduction by 2040, a 90% reduction by 2045,
8 and net-zero emissions by 2050;

9 (b) Meeting these goals will involve multiple, simultaneously
10 pursued strategies, as well as a streamlined administrative structure;

11 (c) Carbon capture and storage, or "CCS", has been identified as
12 an essential tool for hard-to-decarbonize sectors;

13 (d) The geologic sequestration of carbon dioxide, or "CO₂", in the
14 subsurface is necessary to reach net-zero emission targets globally and
15 may be equally critical to Colorado's own climate targets;

16 (e) Through CCS, stored CO₂ remains in the subsurface
17 permanently. These CO₂ storage projects require an extended
18 post-injection site care phase, typically lasting for decades after injection
19 has ceased, in which the injected CO₂ is monitored to thoroughly
20 demonstrate that the injected CO₂ is stable and will not pose a risk to

1 underground sources of drinking water.

2 (f) When a storage operator ceases to exist, for example, through
3 bankruptcy, current law does not provide for monitoring and stewardship
4 of the the storage facility;

5 (g) These are some of the reasons why the Colorado carbon
6 management roadmap, the energy and carbon management commission's
7 CCS study, and Colorado's carbon capture sequestration and utilization
8 task force all called for the state to create a process for long-term
9 stewardship of CO2 storage sites whereby CCS storage sites can be
10 monitored and maintained for decades after site closure;

11 (h) Establishing an enterprise funded by a fee imposed on
12 geologic storage operators to provide the necessary resources for the state
13 to conduct long-term monitoring and stewardship activities protects
14 Colorado communities from future impacts from storage facilities,
15 supports our state's climate goals, relieves state taxpayers of a potential
16 burden to manage these sites, and provides certainty to operators;

17 (i) Geothermal energy also provides many opportunities to support
18 the state's transition to a low-carbon economy by offering more reliable
19 energy service and predictable, affordable costs while improving local air
20 quality and offering new economic growth opportunities;

21 (j) The energy and carbon management commission and the
22 division of water resources are responsible for regulating geothermal
23 development in Colorado;

24 (k) In 2023, in Senate Bill 23-285, the general assembly directed
25 the energy and carbon management commission and the division of water
26 resources to study the state regulatory structure for geothermal resources
27 and determine if additional changes are necessary;

1 (l) In support of the state's climate and energy goals, the
2 department of natural resources has identified statutory changes that will
3 clarify and streamline Colorado's regulatory framework while facilitating
4 responsible development of geothermal resources in Colorado; and

5 (m) These recommendations will minimize costs, expedite
6 permitting, reduce risks to industry and the public, and clarify regulatory
7 authority across state agencies.

8 (2) The general assembly therefore declares that it is important
9 that Colorado drive and oversee the deployment of CCS and geothermal
10 technologies in a manner that encourages protective growth and
11 adaptation of infrastructure and improved coordination for permitting
12 authorities.

13 **SECTION 2.** In Colorado Revised Statutes, **amend** 34-60-101 as
14 follows:

15 **34-60-101. Short title.** ~~THE SHORT TITLE OF this article shall be~~
16 ~~known and may be cited as~~ ARTICLE 60 IS the "Oil and Gas Conservation
17 "ENERGY AND CARBON MANAGEMENT Act".

18 **SECTION 3.** In Colorado Revised Statutes, **add** 34-60-144 as
19 follows:

20 **34-60-144. Geologic storage stewardship enterprise - created**
21 **- legislative declaration - powers and duties of enterprise - geologic**
22 **storage stewardship enterprise board - membership and duties of**
23 **enterprise board - stewardship fees - geologic storage stewardship**
24 **enterprise cash fund - definitions - rules - repeal. (1) Legislative**
25 **declaration. (a) THE GENERAL ASSEMBLY FINDS THAT:**

26 (I) GEOLOGIC STORAGE OPERATIONS ARE AN IMPORTANT TOOL TO
27 HELP THE STATE MEET ITS GREENHOUSE GAS EMISSION REDUCTION GOALS;

1 (II) GEOLOGIC STORAGE OPERATIONS INVOLVE PERMANENTLY
2 STORING INJECTION CARBON DIOXIDE UNDERGROUND;

3 (III) IT IS PRUDENT TO MONITOR AND OTHERWISE CONDUCT
4 LONG-TERM STEWARDSHIP OF INJECTION CARBON DIOXIDE TO
5 DEMONSTRATE THAT THE INJECTION CARBON DIOXIDE IS STABLE AND WILL
6 NOT POSE A RISK TO UNDERGROUND SOURCES OF DRINKING WATER;

7 (IV) GEOLOGIC STORAGE OPERATIONS PRESENT THE STATE WITH
8 RISKS OF ORPHANED GEOLOGIC STORAGE FACILITIES;

9 (V) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF
10 GEOLOGIC STORAGE OPERATORS FOR THE STATE TO CONDUCT LONG-TERM
11 STEWARDSHIP; AND

12 (VI) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST
13 OF GEOLOGIC STORAGE OPERATORS FOR THE STATE TO ENSURE THAT
14 ORPHANED GEOLOGIC STORAGE FACILITIES ARE PLUGGED, ABANDONED,
15 RECLAIMED, AND REMEDIATED, IF NECESSARY, IN A TIMELY MANNER IF
16 AVAILABLE FINANCIAL ASSURANCE IS INSUFFICIENT.

17 (b) THE GENERAL ASSEMBLY ALSO FINDS THAT:

18 (I) CURRENT LAW IN JANUARY 2025 PROVIDES NO MECHANISM TO
19 PAY FOR THE STATE'S LONG-TERM STEWARDSHIP OF GEOLOGIC STORAGE
20 FACILITIES; AND

21 (II) CURRENT LAW IN JANUARY 2025 AUTHORIZES THE
22 COMMISSION TO REQUIRE GEOLOGIC STORAGE OPERATORS TO MAINTAIN
23 AND DEMONSTRATE CERTAIN FINANCIAL ASSURANCES TO PLUG, ABANDON,
24 RECLAIM, AND REMEDIATE GEOLOGIC STORAGE FACILITIES.

25 (c) NOW, THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

26 (I) IT IS IN THE PUBLIC INTEREST TO CREATE AN ENTERPRISE
27 WITHIN THE DEPARTMENT THAT IS COMMITTED TO FUNDING LONG-TERM

1 STEWARDSHIP OF INJECTION CARBON DIOXIDE AND, IF NECESSARY, THE
2 PLUGGING, ABANDONMENT, RECLAIMING, AND REMEDIATING OF
3 ORPHANED GEOLOGIC STORAGE FACILITIES;

4 (II) THE ACTIVITIES OF THE ENTERPRISE SHALL BE FUNDED BY
5 REVENUE GENERATED FROM STEWARDSHIP FEES PAID BY OPERATORS OF
6 CLASS VI INJECTION WELLS IN COLORADO;

7 (III) IT IS APPROPRIATE THAT GEOLOGIC STORAGE OPERATORS
8 SHOULD PAY SUCH STEWARDSHIP FEES, AS GEOLOGIC STORAGE OPERATORS
9 ARE THE DIRECT BENEFICIARIES OF THE SERVICES PROVIDED BY THE
10 ENTERPRISE, WHICH ARE LONG-TERM STEWARDSHIP AND, WHERE
11 NECESSARY, THE PLUGGING, ABANDONMENT, RECLAIMING, AND
12 REMEDIATING OF ORPHANED GEOLOGIC STORAGE FACILITIES;

13 (IV) GEOLOGIC STORAGE OPERATORS BENEFIT FROM LONG-TERM
14 STEWARDSHIP BECAUSE SERVICES, SUCH AS LONG-TERM MONITORING AND
15 SITE MANAGEMENT, ALLOW GEOLOGIC STORAGE OPERATORS TO OPERATE
16 CLASS VI INJECTION WELLS IN COLORADO BY ADDRESSING THE RISKS
17 PRESENTED BY THE PERMANENT STORAGE OF INJECTION CARBON DIOXIDE
18 WITHOUT REQUIRING GEOLOGIC STORAGE OPERATORS TO CONDUCT
19 LONG-TERM STEWARDSHIP;

20 (V) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
21 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
22 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
23 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
24 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES
25 THAT THE STEWARDSHIP FEE IS A FEE, NOT A TAX, AND THE ENTERPRISE
26 OPERATES AS A BUSINESS BECAUSE THE STEWARDSHIP FEE IS IMPOSED FOR
27 THE FOLLOWING SPECIFIC BUSINESS PURPOSES:

1 (A) THE LONG-TERM STEWARDSHIP SERVICES AUTHORIZED BY THIS
2 SECTION PROVIDE A BENEFIT TO GEOLOGIC STORAGE OPERATORS BY
3 ALLOWING A GEOLOGIC STORAGE OPERATOR TO BE RELEASED OF
4 REGULATORY AND LONG-TERM STEWARDSHIP RESPONSIBILITIES
5 ASSOCIATED WITH INJECTION CARBON DIOXIDE AFTER THE COMMISSION
6 APPROVES SITE CLOSURE OF A GEOLOGIC STORAGE FACILITY; AND

7 (B) THE PLUGGING, ABANDONMENT, RECLAIMING, AND
8 REMEDIATING SERVICES AUTHORIZED BY THIS SECTION PROVIDE A BENEFIT
9 TO GEOLOGIC STORAGE OPERATORS BY ALLOWING THEM TO OPERATE
10 CLASS VI INJECTION WELLS IN COLORADO DESPITE THE RISK THAT
11 AVAILABLE FINANCIAL ASSURANCE MAY BE INSUFFICIENT TO PROTECT THE
12 PUBLIC FROM THE COSTS OF GEOLOGIC STORAGE FACILITIES BEING
13 ORPHANED; AND

14 (VI) SO LONG AS THE ENTERPRISE QUALIFIES AS AN ENTERPRISE
15 FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION,
16 THE REVENUE FROM THE STEWARDSHIP FEE ADMINISTERED BY THE
17 ENTERPRISE AND COLLECTED BY THE COMMISSION IS NOT STATE FISCAL
18 YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE
19 REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT
20 COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED
21 BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS
22 STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

23 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
24 OTHERWISE REQUIRES:

25 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL
26 RESOURCES.

27 (b) "ENTERPRISE" MEANS THE GEOLOGIC STORAGE STEWARDSHIP

1 ENTERPRISE CREATED IN SUBSECTION (3) OF THIS SECTION.

2 (c) "ENTERPRISE BOARD" MEANS THE GEOLOGIC STORAGE
3 STEWARDSHIP ENTERPRISE BOARD CREATED IN SUBSECTION (5) OF THIS
4 SECTION.

5 (d) "GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND"
6 MEANS THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND
7 CREATED IN SUBSECTION (7) OF THIS SECTION.

8 (e) "LONG-TERM STEWARDSHIP" MEANS MONITORING AND
9 INTEGRITY MAINTENANCE OF GEOLOGIC STORAGE FACILITIES AFTER THE
10 COMMISSION APPROVES A SITE CLOSURE, AS WELL AS ANY ASSOCIATED
11 ACTION NECESSARY TO PROTECT PUBLIC HEALTH, SAFETY, WELFARE, THE
12 ENVIRONMENT, OR WILDLIFE RESOURCES.

13 (f) "ORPHANED GEOLOGIC STORAGE FACILITY" MEANS A GEOLOGIC
14 STORAGE FACILITY IN THE STATE FOR WHICH NO OWNER OR OPERATOR CAN
15 BE FOUND OR FOR WHICH THE OWNER OR OPERATOR IS UNWILLING OR
16 UNABLE TO PAY THE COSTS OF PLUGGING, ABANDONING, REMEDIATING,
17 RECLAIMING, OR OTHER ACTION NECESSARY TO OBTAIN SITE CLOSURE
18 PURSUANT TO COMMISSION RULES.

19 (g) "STEWARDSHIP FEE" MEANS THE STEWARDSHIP FEE
20 AUTHORIZED AND IMPOSED PURSUANT TO SUBSECTION (6) OF THIS
21 SECTION.

22 (3) **Enterprise created.** (a) THE GEOLOGIC STORAGE
23 STEWARDSHIP ENTERPRISE IS CREATED IN THE DEPARTMENT, IS A **TYPE 1**
24 ENTITY, AS DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS
25 AND PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE DEPARTMENT. THE
26 ENTERPRISE IS CREATED FOR THE PURPOSE OF:

27 (I) **DETERMINING** THE AMOUNT OF STEWARDSHIP FEES;

1 (II) FUNDING THE LONG-TERM STEWARDSHIP OF GEOLOGIC
2 STORAGE FACILITIES IN THE STATE;

3 (III) FUNDING THE PLUGGING, ABANDONMENT, RECLAIMING, AND,
4 AS NECESSARY, REMEDIATING OF ORPHANED GEOLOGIC STORAGE
5 FACILITIES IN THE STATE IF THE COMMISSION, AFTER NOTICE AND A
6 HEARING, DETERMINES THAT AVAILABLE FINANCIAL ASSURANCE IS
7 INSUFFICIENT; AND

8 (IV) ENSURING THAT COSTS ASSOCIATED WITH LONG-TERM
9 STEWARDSHIP OF GEOLOGIC STORAGE FACILITIES ARE BORNE BY GEOLOGIC
10 STORAGE OPERATORS IN THE FORM OF STEWARDSHIP FEES.

11 (b) THE ENTERPRISE BOARD, IN CONSULTATION WITH THE
12 COMMISSION, SHALL ADMINISTER THE ENTERPRISE IN ACCORDANCE WITH
13 THIS SECTION.

14 (c) (I) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR
15 PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO
16 LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND
17 RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS, AS
18 DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND
19 LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN
20 ENTERPRISE, THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE
21 X OF THE STATE CONSTITUTION.

22 (II) THE ENTERPRISE IS AUTHORIZED TO ISSUE REVENUE BONDS FOR
23 THE EXPENSES OF THE ENTERPRISE, SECURED BY REVENUE OF THE
24 ENTERPRISE.

25 (4) **Enterprise board created - membership - duties - repeal.**

26 (a) (I) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE BOARD IS
27 CREATED TO ADMINISTER THE ENTERPRISE. THE ENTERPRISE BOARD

1 INCLUDES THE FOLLOWING FIVE MEMBERS:

2 (A) THE CHAIR OF THE COMMISSION;

3 (B) THE DIRECTOR OF THE COMMISSION OR THE DIRECTOR'S
4 DESIGNEE;

5 (C) AN INDIVIDUAL WITH SUBSTANTIAL EXPERIENCE IN GEOLOGIC
6 STORAGE, TO BE APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE
7 SENATE;

8 (D) AN INDIVIDUAL WITH FORMAL TRAINING OR SUBSTANTIAL
9 EXPERIENCE IN ENVIRONMENTAL PROTECTION, PUBLIC HEALTH, OR OTHER
10 RELEVANT FIELDS, TO BE APPOINTED BY THE GOVERNOR AND CONFIRMED
11 BY THE SENATE; AND

12 (E) AN INDIVIDUAL WITH FORMAL TRAINING OR SUBSTANTIAL
13 EXPERIENCE IN WELLBORE MONITORING, LONG-TERM STEWARDSHIP, OR
14 OTHER RELEVANT TECHNICAL FIELDS, TO BE APPOINTED BY THE GOVERNOR
15 AND CONFIRMED BY THE SENATE.

16 (II) (A) THE GOVERNOR SHALL APPOINT THE INITIAL MEMBERS OF
17 THE ENTERPRISE BOARD PURSUANT TO SUBSECTIONS (4)(a)(I)(C),
18 (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION ON OR BEFORE SEPTEMBER
19 1, 2025.

20 (B) THIS SUBSECTION (4)(a)(II) IS REPEALED, EFFECTIVE JULY 1,
21 2026.

22 (III) THE MEMBERS OF THE ENTERPRISE BOARD DESCRIBED IN
23 SUBSECTIONS (4)(a)(I)(C), (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION
24 SHALL EACH SERVE TERMS OF THREE YEARS; EXCEPT THAT THE INITIAL
25 TERM OF THE MEMBER APPOINTED PURSUANT TO SUBSECTION (4)(a)(I)(C)
26 OF THIS SECTION IS ONE YEAR, AND THE INITIAL TERM OF THE MEMBER
27 APPOINTED PURSUANT TO SUBSECTION (4)(a)(I)(D) OF THIS SECTION IS

1 TWO YEARS. IN THE EVENT OF A VACANCY, THE GOVERNOR MAY APPOINT
2 AN INDIVIDUAL TO COMPLETE THE TERM OF THE MEMBER WHOSE SEAT HAS
3 BECOME VACANT.

4 (IV) AN INDIVIDUAL MAY BE APPOINTED TO SERVE AS A MEMBER
5 OF THE ENTERPRISE BOARD PURSUANT TO SUBSECTION (4)(a)(I)(C),
6 (4)(a)(I)(D), OR (4)(a)(I)(E) OF THIS SECTION FOR AN UNLIMITED NUMBER
7 OF TERMS.

8 (V) ENTERPRISE BOARD MEMBERS SERVING PURSUANT TO
9 SUBSECTIONS (4)(a)(I)(C), (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION
10 MAY RECEIVE COMPENSATION FROM THE ENTERPRISE ON A PER DIEM BASIS
11 FOR REASONABLE EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE
12 OF DUTIES REQUIRED OF ENTERPRISE BOARD MEMBERS UNDER THIS
13 SECTION.

14 (VI) THE GOVERNOR SHALL SELECT A MEMBER OF THE ENTERPRISE
15 BOARD TO SERVE AS CHAIR OF THE ENTERPRISE BOARD.

16 (b) IN ADDITION TO ADMINISTERING THE ENTERPRISE, THE
17 ENTERPRISE BOARD SHALL:

18 (I) SET THE AMOUNT OF THE STEWARDSHIP FEE AT AN AMOUNT
19 THAT IS REASONABLY RELATED TO THE OVERALL COST OF THE LONG-TERM
20 STEWARDSHIP SERVICES PROVIDED BY THE ENTERPRISE. THE ENTERPRISE
21 BOARD SHALL SET THE INITIAL AMOUNT WITHIN SIX MONTHS AFTER THE
22 ENTERPRISE BOARD IS CONFIRMED.

23 (II) AS FREQUENTLY AS THE ENTERPRISE BOARD DETERMINES
24 NECESSARY, CONSIDER WHETHER THE AMOUNT OF THE STEWARDSHIP FEE
25 SHOULD BE INCREASED OR REDUCED, BASED ON:

26 (A) THE OVERALL COST OF THE ENTERPRISE'S LONG-TERM
27 STEWARDSHIP SERVICES, INCLUDING REASONABLY ANTICIPATED FUTURE

1 EXPENDITURES FROM THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE
2 CASH FUND; AND

3 (B) THE NEED TO COMPLY WITH SUBSECTION (7)(b) OF THIS
4 SECTION;

5 (III) CONSIDER THE IMPORTANCE OF FINANCIAL
6 PREDICTABILITY FOR OPERATORS WHEN DETERMINING THE FREQUENCY OF
7 CHANGES TO THE STEWARDSHIP FEE AMOUNT;

8 (IV) IF THE ENTERPRISE BOARD DETERMINES THAT AN INCREASE
9 OR REDUCTION OF THE STEWARDSHIP FEE AMOUNT IS WARRANTED, ADJUST
10 THE STEWARDSHIP FEE AMOUNT TO AN AMOUNT THAT IS REASONABLY
11 RELATED TO THE OVERALL COST OF THE LONG-TERM STEWARDSHIP
12 SERVICES PROVIDED BY THE ENTERPRISE; AND

13 (V) ADVISE THE COMMISSION OF THE OUTCOME OF THE
14 ENTERPRISE BOARD'S DELIBERATIONS PURSUANT TO THIS SUBSECTION (4).

15 (5) **Powers and duties.** IN ADDITION TO ANY OTHER POWERS AND
16 DUTIES SPECIFIED IN THIS SECTION, THE ENTERPRISE BOARD HAS THE
17 FOLLOWING GENERAL POWERS AND DUTIES ON BEHALF OF THE
18 ENTERPRISE:

19 (a) TO ADOPT PROCEDURES FOR CONDUCTING THE ENTERPRISE
20 BOARD'S AFFAIRS;

21 (b) TO ACQUIRE, HOLD TITLE TO, AND DISPOSE OF REAL AND
22 PERSONAL PROPERTY, INCLUDING OWNERSHIP OF INJECTION CARBON
23 DIOXIDE UPON APPROVAL OF SITE CLOSURE OF AN ASSOCIATED GEOLOGIC
24 STORAGE FACILITY BY THE COMMISSION;

25 (c) TO EMPLOY AND SUPERVISE INDIVIDUALS, PROFESSIONAL
26 CONSULTANTS, AND CONTRACTORS AS ARE NECESSARY IN THE ENTERPRISE
27 BOARD'S JUDGMENT TO CARRY OUT ITS BUSINESS PURPOSES;

1 (d) TO ENGAGE THE SERVICES OF CONTRACTORS, CONSULTANTS,
2 AND THE ATTORNEY GENERAL'S OFFICE FOR PROFESSIONAL AND
3 TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY OTHER SERVICES
4 RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE. THE
5 ENTERPRISE MAY CONTRACT WITH THE DEPARTMENT FOR THE PROVISION
6 OF OFFICE SPACE AND ADMINISTRATIVE STAFF TO THE ENTERPRISE AT A
7 FAIR MARKET RATE.

8 (e) TO SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, DONATIONS, OR
9 OTHER PAYMENTS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES
10 OF THIS SECTION, SO LONG AS THE TOTAL AMOUNT OF ALL GRANTS FROM
11 COLORADO STATE AND LOCAL GOVERNMENTS RECEIVED IN ANY STATE
12 FISCAL YEAR IS LESS THAN TEN PERCENT OF THE ENTERPRISE'S TOTAL
13 ANNUAL REVENUE FOR THE STATE FISCAL YEAR. ALL MONEY RECEIVED AS
14 GIFTS, GRANTS, AND DONATIONS SHALL BE CREDITED TO THE GEOLOGIC
15 STORAGE STEWARDSHIP ENTERPRISE CASH FUND.

16 (f) TO CREATE AND IMPOSE UPON GEOLOGIC STORAGE OPERATORS
17 AN ADDITIONAL FEE TO ADDRESS PLUGGING, ABANDONING, RECLAIMING,
18 AND REMEDIATING OF ORPHANED GEOLOGIC STORAGE FACILITIES, WHICH
19 FEE IS IN AN AMOUNT THAT IS REASONABLY RELATED TO THE OVERALL
20 COST OF PLUGGING, ABANDONING, RECLAIMING, AND REMEDIATING
21 ORPHANED GEOLOGIC STORAGE FACILITIES, SO LONG AS THE ENTERPRISE
22 BOARD FINDS THAT:

23 (I) GEOLOGIC STORAGE OPERATIONS IN THE STATE ARE LIKELY TO
24 CREATE ORPHANED GEOLOGIC STORAGE FACILITIES IN THE FUTURE;

25 (II) FINANCIAL ASSURANCE PROVIDED BY OPERATORS WILL BE
26 INSUFFICIENT TO ADDRESS ORPHANED GEOLOGIC STORAGE FACILITIES; AND

27 (III) STEWARDSHIP FEES DEPOSITED INTO THE GEOLOGIC STORAGE

1 STEWARDSHIP CASH FUND WILL BE INSUFFICIENT TO ADDRESS BOTH
2 LONG-TERM STEWARDSHIP AND ORPHANED GEOLOGIC STORAGE
3 FACILITIES;

4 (g) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY
5 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES
6 GRANTED BY THIS SECTION; AND

7 (h) TO PERFORM ALL ACTS NECESSARY TO ACCOMPLISH SITE
8 CLOSURES PURSUANT TO COMMISSION RULES FOR ORPHANED GEOLOGIC
9 STORAGE FACILITIES.

10 (6) **Stewardship fees - rules.** (a) ON OR BEFORE APRIL 30, 2026,
11 AND ON OR BEFORE APRIL 30 EACH YEAR THEREAFTER, EACH GEOLOGIC
12 STORAGE OPERATOR SHALL PAY A STEWARDSHIP FEE TO THE COMMISSION,
13 WHICH SHALL COLLECT THE STEWARDSHIP FEE ON THE ENTERPRISE'S
14 BEHALF, FOR EACH TON OF INJECTION CARBON DIOXIDE THAT THE
15 GEOLOGIC STORAGE OPERATOR INJECTS IN THE STATE.

16 (b) MONEY COLLECTED AS STEWARDSHIP FEES SHALL BE CREDITED
17 TO THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND.

18 (c) THE MONEY COLLECTED BY THE COMMISSION FOR TRANSFER TO
19 THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND PURSUANT
20 TO SUBSECTION (6)(b) OF THIS SECTION IS:

21 (I) COLLECTED FOR THE ENTERPRISE;

22 (II) CUSTODIAL MONEY INTENDED FOR THE ENTERPRISE AND HELD
23 TEMPORARILY BY THE COMMISSION AND THE STATE TREASURER SOLELY
24 FOR THE PURPOSE OF TRANSFERRING THE MONEY TO THE GEOLOGIC
25 STORAGE STEWARDSHIP ENTERPRISE CASH FUND; AND

26 (III) BASED ON THE ENTERPRISE'S STATUS AS AN ENTERPRISE, NOT
27 SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AT

1 ANY TIME DURING THE MONEY'S COLLECTION, TRANSFER, AND USE.

2 (d) THE COMMISSION MAY ADOPT RULES TO IMPLEMENT THIS
3 SUBSECTION (6).

4 (7) **Geologic storage stewardship enterprise cash fund - repeal.**

5 (a) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND IS
6 CREATED IN THE STATE TREASURY. THE GEOLOGIC STORAGE STEWARDSHIP
7 ENTERPRISE CASH FUND CONSISTS OF:

8 (I) MONEY RECEIVED AS STEWARDSHIP FEES;

9 (II) ANY MONEY RECEIVED FROM THE ISSUANCE OF REVENUE
10 BONDS, AS DESCRIBED IN SUBSECTION (3)(c)(II) OF THIS SECTION; ■

11 (III) ANY GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO
12 SUBSECTION (5)(e) OF THIS SECTION; AND

13 (IV) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
14 APPROPRIATE OR TRANSFER TO THE GEOLOGIC STORAGE STEWARDSHIP
15 ENTERPRISE CASH FUND.

16 (b) (I) THE TOTAL AMOUNT OF MONEY CREDITED OR
17 APPROPRIATED TO THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE
18 CASH FUND AS STEWARDSHIP FEES SHALL NOT EXCEED ONE HUNDRED
19 MILLION DOLLARS IN THE FIRST FIVE YEARS OF THE ENTERPRISE'S
20 EXISTENCE.

21 (II) THIS SUBSECTION (7)(b) IS REPEALED, EFFECTIVE JULY 1, 2031.

22 (c) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
23 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
24 GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND TO THE
25 GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND. ANY
26 UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE GEOLOGIC
27 STORAGE STEWARDSHIP ENTERPRISE CASH FUND AT THE END OF A FISCAL

1 YEAR REMAINS IN THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE
2 CASH FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE
3 GENERAL FUND OR TO ANY OTHER FUND.

4 (d) MONEY CREDITED TO THE GEOLOGIC STORAGE STEWARDSHIP
5 ENTERPRISE CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE
6 ENTERPRISE AND SHALL BE EXPENDED TO PAY THE COSTS OF:

7 (I) LONG-TERM STEWARDSHIP;

8 (II) PLUGGING, ABANDONING, RECLAIMING, AND REMEDIATING
9 SERVICES FOR ORPHANED GEOLOGIC STORAGE FACILITIES AT THE REQUEST
10 OF THE DIRECTOR OF THE COMMISSION IF THE COMMISSION, AFTER NOTICE
11 AND A HEARING, DETERMINES THAT AVAILABLE FINANCIAL ASSURANCE IS
12 INSUFFICIENT; AND

13 (III) THE ENTERPRISE'S REASONABLE AND NECESSARY OPERATING
14 EXPENSES.

15 (8) **Rules.** THE ENTERPRISE SHALL ADOPT RULES AS NECESSARY TO
16 IMPLEMENT THIS SECTION. IN ADOPTING ANY RULES CONCERNING
17 SUBSECTION (6) OF THIS SECTION, THE ENTERPRISE SHALL CONSULT WITH
18 THE COMMISSION.

19 (9) **Governmental immunity.** NOTHING IN THIS SECTION
20 CONSTITUTES A WAIVER, ABROGATION, OR LIMITATION OF GOVERNMENTAL
21 IMMUNITY, AS DESCRIBED IN ARTICLE 10 OF TITLE 24. GEOLOGIC STORAGE
22 FACILITIES, GEOLOGIC STORAGE LOCATIONS, GEOLOGIC STORAGE
23 RESOURCES, INJECTION CARBON DIOXIDE, AND FACILITIES ASSOCIATED
24 WITH GEOLOGIC STORAGE OPERATIONS ARE NOT GAS FACILITIES FOR THE
25 PURPOSES OF SECTION 24-10-106 (1)(f) AND DO NOT CONSTITUTE ANY
26 OTHER AREA OR FACILITY FOR WHICH SOVEREIGN IMMUNITY IS WAIVED
27 PURSUANT TO SECTION 24-10-106 (1).

1 **SECTION 4.** In Colorado Revised Statutes, 34-60-106, **amend**
2 (9)(c)(IV)(D); **repeal** (9)(c)(IV)(D.5); and **add** (9.4) as follows:

3 **34-60-106. Additional powers of commission - fees - rules -**
4 **definitions - repeal.** (9) (c) (IV) (D) A geologic storage operator shall
5 maintain the financial assurance required ~~under~~ BY this subsection
6 (9)(c)(IV) or ~~under~~ any rules adopted pursuant to this subsection
7 (9)(c)(IV) until the commission approves site closure, as specified in rules
8 adopted by the commission. EXCEPT AS DESCRIBED IN SUBSECTION (9.4)
9 OF THIS SECTION, commission approval of a site closure does not
10 otherwise modify an operator's responsibility to comply with applicable
11 laws.

12 (D.5) ~~If a geologic storage operator makes a material~~
13 ~~misrepresentation or omission that causes the commission to approve a~~
14 ~~site closure pursuant to subsection (9)(c)(IV)(D) of this section, the~~
15 ~~commission may reimpose any regulatory responsibility or financial~~
16 ~~assurance obligation imposed on the geologic storage operator pursuant~~
17 ~~to subsection (9)(c)(IV)(A) of this section.~~

18 (9.4) (a) BEFORE THE COMMISSION APPROVES A SITE CLOSURE,
19 TITLE TO THE INJECTION CARBON DIOXIDE STORED BY A GEOLOGIC
20 STORAGE OPERATOR REMAINS WITH THE GEOLOGIC STORAGE OPERATOR
21 OR ANY PARTY TO WHICH THE GEOLOGIC STORAGE OPERATOR
22 TRANSFERRED TITLE.

23 (b) IN ADDITION TO ANY CRITERIA FOR SITE CLOSURE REQUIRED BY
24 RULES ADOPTED BY THE COMMISSION, THE COMMISSION SHALL NOT
25 APPROVE A SITE CLOSURE UNTIL THE COMMISSION HAS DETERMINED THAT
26 THE GEOLOGIC STORAGE OPERATOR REQUESTING THE SITE CLOSURE HAS
27 CONTRIBUTED MONEY TO THE GEOLOGIC STORAGE STEWARDSHIP

1 ENTERPRISE CASH FUND CREATED IN SECTION 34-60-144 (7) IN AN
2 AMOUNT SUFFICIENT TO PAY FOR LONG-TERM STEWARDSHIP OF THE
3 GEOLOGIC STORAGE FACILITY FOR WHICH THE OPERATOR REQUESTS THE
4 SITE CLOSURE.

5 (c) UPON APPROVAL BY THE COMMISSION OF A SITE CLOSURE:

6 (I) OWNERSHIP OF THE INJECTION CARBON DIOXIDE AND
7 OWNERSHIP OF ANY REMAINING GEOLOGIC STORAGE FACILITIES,
8 INCLUDING THOSE USED TO INJECT, MONITOR, OR STORE INJECTION
9 CARBON DIOXIDE, TRANSFER TO THE STATE WITHOUT PAYMENT OF
10 COMPENSATION;

11 (II) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CREATED
12 IN SECTION 34-60-144 SHALL UNDERTAKE LONG-TERM STEWARDSHIP OF
13 THE INJECTION CARBON DIOXIDE AND ANY ASSOCIATED GEOLOGIC
14 STORAGE FACILITY; AND

15 (III) THE GEOLOGIC STORAGE OPERATOR IS RELEASED FROM ALL
16 FURTHER REGULATORY LIABILITY ASSOCIATED WITH THE GEOLOGIC
17 STORAGE OPERATIONS OR ASSOCIATED GEOLOGIC STORAGE FACILITY,
18 EXCEPT AS PROVIDED IN SUBSECTION (9.4)(d) OF THIS SECTION.

19 (d) REGULATORY LIABILITY REMAINS WITH THE GEOLOGIC
20 STORAGE OPERATOR TO THE EXTENT THAT THE COMMISSION DETERMINES,
21 AFTER NOTICE AND HEARING, THAT:

22 (I) THE GEOLOGIC STORAGE OPERATOR WAS IN MATERIAL
23 VIOLATION OF A STATE LAW OR REGULATION RELATED TO THE GEOLOGIC
24 STORAGE OPERATIONS OR ANY ASSOCIATED GEOLOGIC STORAGE FACILITY
25 THAT WAS NOT REMEDIED PRIOR TO APPROVAL OF SITE CLOSURE AND HAS
26 NOT BEEN REMEDIED SINCE THAT TIME, AND ANY APPLICABLE STATUTES
27 OF LIMITATION HAVE NOT RUN;

1 (II) THE GEOLOGIC STORAGE OPERATOR PROVIDED DEFICIENT OR
2 ERRONEOUS INFORMATION THAT WAS MATERIAL AND RELIED UPON BY THE
3 COMMISSION TO SUPPORT THE APPROVAL OF SITE CLOSURE;

4 (III) LIABILITY ARISES FROM CONDUCT OF THE GEOLOGIC STORAGE
5 OPERATOR ASSOCIATED WITH THE GEOLOGIC STORAGE OPERATIONS OR
6 ANY ASSOCIATED GEOLOGIC STORAGE FACILITY AND, IF THE COMMISSION
7 HAD KNOWN OF THE CONDUCT AT THE TIME OF CONSIDERING THE REQUEST
8 TO APPROVE SITE CLOSURE, SUCH KNOWLEDGE WOULD HAVE MATERIALLY
9 AFFECTED THE COMMISSION'S DECISION TO APPROVE SITE CLOSURE; OR

10 (IV) THERE IS FLUID MIGRATION FOR WHICH THE GEOLOGIC
11 STORAGE OPERATOR IS RESPONSIBLE THAT CAUSES OR THREATENS TO
12 CAUSE IMMINENT AND SUBSTANTIAL ENDANGERMENT TO AN
13 UNDERGROUND SOURCE OF DRINKING WATER.

14 (e) AFTER NOTICE AND HEARING, THE COMMISSION MAY REIMPOSE
15 ANY REGULATORY LIABILITY FROM WHICH THE GEOLOGIC STORAGE
16 OPERATOR HAS BEEN RELEASED PURSUANT TO SUBSECTION (9.4)(c)(III) OF
17 THIS SECTION AND FINANCIAL ASSURANCE OBLIGATIONS, IF THE
18 COMMISSION DETERMINES THAT:

19 (I) THE GEOLOGIC STORAGE OPERATOR MADE A MATERIAL
20 MISREPRESENTATION OR OMISSION THAT CAUSED THE COMMISSION TO
21 APPROVE A SITE CLOSURE;

22 (II) THE GEOLOGIC STORAGE OPERATOR WAS IN MATERIAL
23 VIOLATION OF A DUTY IMPOSED ON THE OPERATOR BY STATE LAW,
24 INCLUDING BY RULES, PRIOR TO APPROVAL OF A SITE CLOSURE, THE
25 MATERIAL VIOLATION HAS NOT BEEN REMEDIED, AND ANY APPLICABLE
26 STATUTES OF LIMITATION HAVE NOT RUN; OR

27 (III) THERE IS MIGRATION OF THE INJECTION CARBON DIOXIDE FOR

1 WHICH THE GEOLOGIC STORAGE OPERATOR IS RESPONSIBLE THAT CAUSES
2 OR THREATENS TO CAUSE IMMINENT AND SUBSTANTIAL ENDANGERMENT
3 TO AN UNDERGROUND SOURCE OF DRINKING WATER.

4 (f) NOTHING IN THIS SUBSECTION (9.4) WAIVES, ABROGATES, OR
5 LIMITS GOVERNMENTAL IMMUNITY, AS DESCRIBED IN ARTICLE 10 OF TITLE
6 24. GEOLOGIC STORAGE FACILITIES, GEOLOGIC STORAGE LOCATIONS,
7 GEOLOGIC STORAGE RESOURCES, INJECTION CARBON DIOXIDE, AND
8 FACILITIES ASSOCIATED WITH GEOLOGIC STORAGE OPERATIONS ARE NOT
9 GAS FACILITIES FOR THE PURPOSES OF SECTION 24-10-106 (1)(f) AND DO
10 NOT CONSTITUTE ANY OTHER AREA OR FACILITY FOR WHICH SOVEREIGN
11 IMMUNITY IS WAIVED PURSUANT TO SECTION 24-10-106 (1).

12 **SECTION 5.** In Colorado Revised Statutes, 34-60-140, **amend**
13 **(2)(a)(II)** introductory portion as follows:

14 **34-60-140. Ownership of geologic storage resources and**
15 **injection carbon dioxide - legislative declaration.** (2) (a) Except as set
16 forth in subsection (5) of this section:

17 (II) UNTIL ownership of injection carbon dioxide and the facilities
18 and equipment that store injection carbon dioxide in the state TRANSFER
19 TO THE STATE PURSUANT TO SECTION 34-60-106 (9.4)(c)(I), SUCH
20 OWNERSHIP is vested in:

21 **SECTION 6.** In Colorado Revised Statutes, 37-80-111.5, **amend**
22 (1)(d) as follows:

23 **37-80-111.5. Fees - rules - satellite monitoring system cash**
24 **fund - well inspection cash fund - created.** (1) (d) Of each fee collected
25 pursuant to sections 37-90-105 (3)(a)(I) and (4)(a); 37-90-107 (7)(d)(I);
26 37-90-116 (1)(a), (1)(c), and (1)(h); 37-90-137 (2)(a); **37-90.5-106;**
27 **37-90.5-107;** and 37-92-602 (3)(a) and (5), ~~forty dollars~~ A PORTION shall

1 be credited to the well inspection cash fund, which fund is hereby created.
2 ~~Moneys~~ THE AMOUNT OF THE PORTION TRANSFERRED TO THE WELL
3 INSPECTION CASH FUND IS FORTY DOLLARS, AND THIS AMOUNT MAY BE
4 MODIFIED BY RULES ADOPTED BY THE BOARD OF EXAMINERS PURSUANT TO
5 SECTION 37-91-104 (1)(c). MONEY in the well inspection cash fund shall
6 be CONTINUOUSLY appropriated to and expended by the state engineer for
7 the purposes established in section 37-91-113. Any ~~moneys~~ MONEY
8 credited to the well inspection cash fund and unexpended at the end of
9 any given STATE fiscal year ~~remain~~ REMAINS in the fund and ~~do~~ DOES not
10 revert to the general fund. All interest derived from the deposit and
11 investment of this fund ~~remain~~ REMAINS in the fund and ~~do~~ DOES not
12 revert to the general fund.

13 **SECTION 7.** In Colorado Revised Statutes, 37-80-111.7, **amend**
14 (2) introductory portion and (2)(b) as follows:

15 **37-80-111.7. Water resources cash fund - created - uses.**

16 (2) The state engineer shall collect the following fees and transmit them
17 to the state treasurer, who shall credit them to the fund, except as
18 specified in ~~paragraph (b) of this subsection (2)~~ SUBSECTION (2)(b) OF
19 THIS SECTION:

20 (b) The state engineer shall collect fees pursuant to sections
21 37-90-105 (3)(a) and (4); 37-90-107 (7)(c)(I) and (7)(d)(I); 37-90-108 (4)
22 and (6); 37-90-116 (1)(a), (1)(c), (1)(h), and (1)(i); 37-90-137 (2), (3)(a),
23 and (3)(c); 37-90.5-106; **37-90.5-107**; 37-92-305 (17); 37-92-308; and
24 37-92-602 (1)(g)(III)(C), (3)(a), and (5). The STATE treasurer shall credit
25 the fees collected pursuant to this ~~paragraph (b)~~ SUBSECTION (2)(b) to the
26 fund except as specified in section 37-80-111.5 (1)(d).

27 **SECTION 8.** In Colorado Revised Statutes, 37-90-103, **amend**

1 (10.5) as follows:

2 **37-90-103. Definitions - repeal.** As used in this article 90, unless
3 the context otherwise requires:

4 (10.5) "Nontributary groundwater" means that groundwater,
5 ~~located outside the boundaries of any designated groundwater basins in~~
6 ~~existence on January 1, 1985~~ EXCLUDING DESIGNATED GROUNDWATER,
7 the withdrawal of which will not, within one hundred years of continuous
8 withdrawal, deplete the flow of a natural stream, including a natural
9 stream as defined in sections 37-82-101 (2) and 37-92-102 (1)(b), at an
10 annual rate greater than one-tenth of one percent of the annual rate of
11 withdrawal. The determination of whether groundwater is nontributary
12 shall be based on aquifer conditions existing at the time of permit
13 application; except that, in recognition of the de minimis amount of water
14 discharging from the Dawson, Denver, Arapahoe, and Laramie-Fox Hills
15 aquifers into surface streams due to artesian pressure, when compared
16 with the great economic importance of the groundwater in those aquifers,
17 and the feasibility and requirement of full augmentation by wells located
18 in the tributary portions of those aquifers, it is specifically found and
19 declared that, in determining whether groundwater of the Dawson,
20 Denver, Arapahoe, and Laramie-Fox Hills aquifers is nontributary, it shall
21 be assumed that the hydrostatic pressure level in each such aquifer has
22 been lowered at least to the top of that aquifer throughout that aquifer;
23 except that not nontributary groundwater, as defined in subsection (10.7)
24 of this section, in the Denver basin shall not become nontributary
25 groundwater as a result of the aquifer's hydrostatic pressure level
26 dropping below the alluvium of an adjacent stream due to Denver basin
27 well pumping activity. Nothing in this subsection (10.5) shall preclude

1 PRECLUDES the designation of any aquifer or basin, or any portion thereof,
2 ~~which~~ OF AN AQUIFER OR BASIN, THAT is otherwise eligible for
3 designation under the standard set forth in subsection (6) of this section
4 relating to groundwater in areas not adjacent to a continuously flowing
5 natural stream wherein groundwater withdrawals have constituted the
6 principal water usage for at least fifteen years preceding the date of the
7 first hearing on the proposed designation of a basin.

8 **SECTION 9.** In Colorado Revised Statutes, 37-90-137, **amend**
9 (2)(a)(II), (2)(b)(I), (2)(b)(II) introductory portion, (2)(b)(II)(A),
10 (2)(b)(II)(B), and (2)(c); and **add** (2)(e) and (7.5) as follows:

11 **37-90-137. Permits to construct wells outside designated**
12 **basins - fees - permit no groundwater right - evidence - time**
13 **limitation - well permits - rules - definition.** (2) (a) (II) Effective July
14 1, 2006, upon receipt of an application for a replacement well or a new,
15 increased, or additional supply of groundwater from an area outside the
16 boundaries of a designated groundwater basin, accompanied by a filing
17 fee of one hundred dollars, the state engineer shall make a determination
18 as to whether or not the exercise of the requested permit will materially
19 injure the vested water rights OR PRIOR GEOTHERMAL OPERATIONS of
20 others.

21 (b) (I) The state engineer shall issue a permit to construct a well
22 only if:

23 (A) The state engineer finds, as substantiated by hydrological and
24 geological facts, that there is unappropriated water available for
25 withdrawal by the proposed well and that the vested water rights OR PRIOR
26 GEOTHERMAL OPERATIONS of others will not be materially injured; and

27 (B) Except as specified in ~~subparagraph (II) of this paragraph (b)~~

1 SUBSECTION (2)(b)(II) OF THIS SECTION, the location of the proposed well
2 will be more than six hundred feet from an existing well COMPLETED IN
3 THE SAME AQUIFER AND MORE THAN ONE MILE FROM A PRIOR
4 GEOTHERMAL OPERATION.

5 (II) If the state engineer, after a hearing, finds that circumstances
6 in a particular instance so warrant, or if a court decree is entered for the
7 proposed well location after notice has been given in accordance with
8 ~~sub-subparagraph (B) of this subparagraph (H)~~ SUBSECTION (2)(b)(II)(B)
9 OF THIS SECTION, the state engineer may issue a permit without regard to
10 the limitation specified in ~~sub-subparagraph (B) of subparagraph (I) of~~
11 ~~this paragraph (b)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION; except that
12 ~~no~~ A hearing ~~shall be~~ IS NOT required and the state engineer may issue a
13 well permit without regard to the limitation specified in ~~sub-subparagraph~~
14 ~~(B) of subparagraph (I) of this paragraph (b)~~ SUBSECTION (2)(b)(I)(B) OF
15 THIS SECTION:

16 (A) If the state engineer notifies the owners of all wells within six
17 hundred feet of the proposed well by certified mail and receives no
18 response within the time set forth in the notice, AND IF THE PROPOSED
19 WELL IS LOCATED WITHIN ONE MILE OF A PRIOR GEOTHERMAL OPERATION,
20 AND THE STATE ENGINEER NOTIFIES THE PRIOR GEOTHERMAL OPERATION'S
21 DESIGNATED INDIVIDUALS BY CERTIFIED MAIL AND THE ENERGY AND
22 CARBON MANAGEMENT COMMISSION BY ELECTRONIC MAIL AND RECEIVES
23 NO RESPONSE WITHIN THE TIME SET FORTH IN THE NOTICE;

24 (B) If the proposed well is part of a water court proceeding
25 adjudicating the water right for the well, or if the proposed well is part of
26 an adjudication of a plan for augmentation or change of water right and
27 if evidence is provided to the water court that the applicant has given

1 notice of the water court application, at least fourteen days before making
2 the application, by registered or certified mail, return receipt requested,
3 to the owners of record of all wells within six hundred feet of the
4 proposed well AND TO ALL OWNERS OR OPERATORS OF PRIOR
5 GEOTHERMAL OPERATIONS WITHIN ONE MILE OF THE PROPOSED WELL;

6 (c) The permit shall set forth ~~such~~ THE conditions for drilling,
7 casing, and equipping wells and other diversion facilities as are
8 reasonably necessary to prevent waste, pollution, or material injury to
9 existing rights OR PRIOR GEOTHERMAL OPERATIONS.

10 (e) AS USED IN THIS SUBSECTION (2), UNLESS THE CONTEXT
11 OTHERWISE REQUIRES:

12 (I) "MATERIAL INJURY" OR "MATERIALLY INJURE" MEANS
13 "MATERIALLY INJURE A VALID PRIOR GEOTHERMAL OPERATION", AS
14 DEFINED IN SECTION 37-90.5-106 (1)(c).

15 (II) "PRIOR GEOTHERMAL OPERATION" HAS THE MEANING SET
16 FORTH IN SECTION 37-90.5-103 (14.5).

17 (7.5) (a) EXCEPT AS REQUIRED BY SUBSECTION (7.5)(b) OF THIS
18 SECTION, A PERMIT FROM THE STATE ENGINEER IS NOT REQUIRED IN THE
19 CASE OF WITHDRAWING NONTRIBUTARY GROUNDWATER FROM A GEOLOGIC
20 FORMATION IF THE WITHDRAWAL IS PERMITTED AS A DEEP GEOTHERMAL
21 OPERATION, AS DEFINED IN SECTION 37-90.5-103 (3), AND THE
22 WITHDRAWN NONTRIBUTARY GROUNDWATER WILL BE USED ONLY FOR
23 OPERATIONS TO EXTRACT OR UTILIZE HEAT, INCLUDING:

24 (I) GENERATING ELECTRICITY;

25 (II) HEATING AND COOLING BUILDINGS;

26 (III) HEATING SWIMMING POOLS, PUBLIC BATHHOUSES, OR
27 DEVELOPED HOT SPRINGS FACILITIES;

- 1 (IV) HEATING AQUACULTURE;
- 2 (V) MELTING SNOW OR ICE;
- 3 (VI) HEATING TO FACILITATE CARBON DIOXIDE CAPTURE OR
- 4 HYDROGEN PRODUCTION;
- 5 (VII) DEEP GEOTHERMAL EXPLORATION, RESOURCE
- 6 CONFIRMATION, OR RESERVOIR ENHANCEMENT; AND
- 7 (VIII) HEATING AND DRYING FOR OTHER INDUSTRIAL PROCESSES.

8 (b) A WELL PERMIT IS REQUIRED IF THE OPERATOR WILL USE THE
9 NONTRIBUTARY GROUNDWATER FOR ADDITIONAL BENEFICIAL USES
10 UNRELATED TO THE EXTRACTION OR UTILIZATION OF HEAT.

11 **SECTION 10.** In Colorado Revised Statutes, 37-90.5-102,
12 **amend** (1)(b) as follows:

13 **37-90.5-102. Legislative declaration.** (1) The general assembly
14 hereby declares that:

15 (b) The development of geothermal resources should be
16 undertaken in such a manner as to safeguard life, health, property, public
17 welfare, HISTORIC GEOTHERMAL HOT SPRINGS, and the environment,
18 including wildlife resources; encourage the maximum economic recovery
19 of each resource and prevent its waste; and protect associated correlative
20 rights.

21 **SECTION 11.** In Colorado Revised Statutes, 37-90.5-103,
22 **amend** (1)(b) and (3)(c)(II); **repeal** (13); and **add** (14.5) as follows:

23 **37-90.5-103. Definitions.** As used in this article 90.5, unless the
24 context otherwise requires:

25 (1) (b) "Allocated geothermal resource" does not include
26 groundwater in the Denver basin aquifers OR NONTRIBUTARY
27 GROUNDWATER AQUIFERS ENTIRELY LOCATED SHALLOWER THAN TWO

1 THOUSAND FIVE HUNDRED FEET.

2 (3) (c) "Deep geothermal operation" does not include:

3 (II) The use of any heat extracted with produced fluids in an oil
4 and gas operation if the UTILIZATION OF THE heat is ~~only utilized to reduce~~
5 ~~emissions from the operation in the same location as the well from which~~
6 ~~it was produced and~~ would otherwise not be economically feasible as a
7 standalone geothermal resource project.

8 (13) ~~"Nonconsumptive geothermal operation" means an operation~~
9 ~~using geothermal resources in which the volume of geothermal fluid~~
10 ~~extracted from an aquifer or formation is no more than the volume of the~~
11 ~~geothermal fluid reinjected in the same aquifer or formation over a~~
12 ~~reasonable time frame and distance.~~

13 (14.5) "PRIOR GEOTHERMAL OPERATION" MEANS:

14 (a) A GEOTHERMAL WELL, OPERATION, DISTRICT, OR UNIT
15 AUTHORIZED BY THE STATE ENGINEER OR THE ENERGY AND CARBON
16 MANAGEMENT COMMISSION PURSUANT TO THIS ARTICLE 90.5; OR

17 (b) A COMMERCIAL GEOTHERMAL HOT SPRING WITH VESTED
18 WATER RIGHTS.

19 **SECTION 12.** In Colorado Revised Statutes, 37-90.5-104,
20 **amend** (2) and (4); and **repeal** (5) as follows:

21 **37-90.5-104. Ownership declaration.** (2) The property right to
22 a hot dry rock resource or a geothermal resource associated with
23 nontributary groundwater is an incident of the ownership of the overlying
24 surface, unless the property right is severed, reserved, or transferred with
25 the subsurface estate expressly OR IS OTHERWISE EXPRESSLY SEPARATE
26 FROM THE SURFACE ESTATE. GEOTHERMAL RESOURCES ASSOCIATED WITH
27 NONTRIBUTARY GROUNDWATER SHALL NOT BE TRANSFERRED SEPARATELY

1 FROM THE NONTRIBUTARY GROUNDWATER. WITH RESPECT TO ANY
2 SEVERANCE, RESERVATION, OR TRANSFER OCCURRING AFTER JULY 1,
3 2025:

4 (a) FOR ANY SEVERANCE, RESERVATION, OR TRANSFER OF
5 NONTRIBUTARY GROUNDWATER, THERE IS A REBUTTABLE PRESUMPTION
6 THAT THE SEVERANCE, RESERVATION, OR TRANSFER INCLUDES ANY
7 ASSOCIATED GEOTHERMAL RESOURCES UNLESS THE SEVERANCE,
8 RESERVATION, OR TRANSFER EXPRESSLY STATES OTHERWISE; AND

9 (b) FOR ANY SEVERANCE, RESERVATION, OR TRANSFER OF
10 GEOTHERMAL RESOURCES ASSOCIATED WITH NONTRIBUTARY
11 GROUNDWATER, THERE IS A REBUTTABLE PRESUMPTION THAT THE
12 SEVERANCE, RESERVATION, OR TRANSFER INCLUDES THE ASSOCIATED
13 NONTRIBUTARY GROUNDWATER UNLESS THE SEVERANCE, RESERVATION,
14 OR TRANSFER EXPRESSLY STATES OTHERWISE.

15 (4) Notwithstanding any provision of this section to the contrary,
16 nothing in this section:

17 (a) Derogates the rights of a landowner to nontributary
18 groundwater; or

19 (b) Affects any ownership or rights to a geothermal resource
20 associated with nontributary groundwater, which resource is acquired
21 before July 1, 2023; OR

22 (c) PREVENTS AN OWNER OF NONTRIBUTARY GROUNDWATER
23 RIGHTS FROM ACCESSING NONTRIBUTARY GROUNDWATER FOR
24 NONGEOTHERMAL PURPOSES THAT WILL NOT MATERIALLY INJURE A VALID
25 PRIOR GEOTHERMAL OPERATION.

26 (5) ~~Notwithstanding any provision of this section to the contrary,~~
27 ~~geothermal resources associated with nontributary groundwater shall not~~

1 ~~be transferred separately from the nontributary groundwater.~~

2 **SECTION 13.** In Colorado Revised Statutes, 37-90.5-106,
3 **amend** (1)(a)(I), (1)(a)(II), (1)(b)(III), (3), and (6); and **add** (1)(c), (2)(c),
4 and (7) as follows:

5 **37-90.5-106. Regulation of geothermal resource operations -**
6 **reinjection - fees - rules.** (1) (a) (I) The state engineer ~~has~~ AND THE
7 BOARD OF EXAMINERS OF WATER WELL AND GROUND HEAT EXCHANGER
8 CONTRACTORS CREATED IN SECTION 37-91-103 HAVE the ~~exclusive~~
9 authority to regulate shallow geothermal operations and may adopt rules
10 that regulate shallow geothermal operations.

11 (II) ~~Prior to~~ BEFORE constructing a test bore, GROUND HEAT
12 EXCHANGER, monitoring well, or production well or reworking an
13 existing well associated with shallow geothermal operations, A PERSON
14 SHALL OBTAIN an operations permit ~~must be obtained~~ from the state
15 engineer.

16 (b) (III) In issuing an operations permit pursuant to subsection
17 (1)(b)(II) of this section, the commission:

18 (A) May allow for the use of groundwater ~~as part of~~
19 ~~nonconsumptive geothermal operations~~ PURSUANT TO SECTION 37-90-137
20 (7.5)(a) as a material medium for allocated geothermal resources that
21 have been determined to be nontributary pursuant to section 37-90.5-107
22 (1)(b); ■

23 (B) SHALL, TO THE EXTENT PRACTICABLE, ENSURE THAT THE
24 PROPOSED OPERATION WILL NOT MATERIALLY INJURE A VALID PRIOR
25 GEOHERMAL OPERATION; AND

26 (C) SHALL REQUIRE EACH APPLICANT FOR A PERMIT CONCERNING
27 DEEP GEOHERMAL OPERATIONS TO PROVIDE NOTICE OF THE APPLICATION

1 TO ANY OWNERS OR OPERATORS OF PRIOR GEOTHERMAL OPERATIONS
2 REGISTERED PURSUANT TO SUBSECTION (7) OF THIS SECTION AND LOCATED
3 WITHIN ONE MILE OF THE PROPOSED DEEP GEOTHERMAL OPERATIONS.

4 (c) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES, "MATERIALLY INJURE A VALID PRIOR GEOTHERMAL OPERATION"
6 MAY INCLUDE A DIMINUTION OR ALTERATION IN THE AVAILABLE WATER
7 SUPPLY OR TEMPERATURE ONLY IF THE DIMINUTION OR ALTERATION
8 ADVERSELY AFFECTS THE PRIOR GEOTHERMAL OPERATION.

9 (2)(c) THE COMMISSION MAY ENFORCE RULES ADOPTED PURSUANT
10 TO THIS SUBSECTION (2) IN ACCORDANCE WITH SECTION 34-60-121.

11 (3) Where the maintenance of underground pressures, the
12 prevention of subsidence, or the disposal of brines is necessary,
13 reinjection of geothermal fluid OR WATER may be required by the state
14 engineer or the commission.

15 (6)(a) ~~On and after July 1, 2023,~~ Except as set forth in subsection
16 (6)(b)(II) of this section, the commission is responsible for administering
17 and enforcing any permits issued by the state engineer pursuant to this
18 section that cover deep geothermal operations.

19 ~~(b) The powers, duties, functions, and obligations concerning~~
20 ~~permits issued by the state engineer pursuant to this section that cover~~
21 ~~deep geothermal operations are transferred, effective July 1, 2023, to the~~
22 ~~commission.~~ The state engineer ~~retains~~ OR THE BOARD OF EXAMINERS OF
23 WATER WELL AND GROUND HEAT EXCHANGER CONTRACTORS MAY
24 EXERCISE any ~~powers, duties, functions, and obligations~~ POWER, DUTY,
25 FUNCTION, OR OBLIGATION necessary to issue, administer, and enforce any
26 permits OR LICENSES that cover:

27 (I) Shallow geothermal operations; and

1 (II) The use of geothermal fluid in deep geothermal operations
2 pursuant to section 37-90.5-107, except for ~~nonconsumptive~~ DEEP
3 geothermal operations SUBJECT TO SECTION 37-90-137 (7.5)(a).

4 (c) ~~The rules of the state engineer pertaining to the powers, duties,~~
5 ~~functions, and obligations transferred to the commission pursuant to~~
6 ~~subsection (6)(b) of this section continue in effect and apply to the~~
7 ~~commission until the rules are replaced by rules adopted by the~~
8 ~~commission pursuant to subsection (1)(b)(I) of this section.~~

9 (d) ~~The commission and the state engineer shall enter into~~
10 ~~memoranda of understanding, interagency agreements, or both, as~~
11 ~~appropriate, to provide for the timely transfer of the powers, duties,~~
12 ~~functions, and obligations transferred to the commission pursuant to~~
13 ~~subsection (6)(b) of this section.~~

14 (7) AN OWNER OR OPERATOR OF PRIOR GEOTHERMAL OPERATIONS
15 SHALL REGISTER THEIR LOCATIONS AND DESIGNATED INDIVIDUALS TO
16 RECEIVE ELECTRONIC MAIL NOTIFICATIONS FROM THE STATE ENGINEER
17 AND THE COMMISSION AS DESCRIBED IN SECTION 37-90-137 (2) AND
18 SUBSECTION (1)(b)(III)(C) OF THIS SECTION.

19 **SECTION 14.** In Colorado Revised Statutes, 37-90.5-107,
20 **amend** (1)(a) and (4); and **repeal** (3)(b) and (3)(d) as follows:

21 **37-90.5-107. Permits for the use of geothermal resources -**
22 **rules.** (1) (a) After receipt of the necessary application, the state engineer
23 shall issue a use permit to use distributed geothermal resources consistent
24 with the requirements described in ~~section 37-90-137~~ SECTION 37-90-107,
25 37-90-108, 37-90-109, 37-90-137, OR 37-90.5-106.

26 (3) (b) ~~The requirement to issue a use permit pursuant to~~
27 ~~subsection (1)(b) of this section does not apply to operations that are~~

1 solely nonconsumptive geothermal operations using allocated geothermal
2 resources.

3 (d) ~~The use permit issued pursuant to subsection (1) of this section~~
4 ~~may allow for nonconsumptive secondary uses of geothermal fluid,~~
5 ~~including the recovery of geothermal by-products, and may allow for~~
6 ~~consumptive secondary uses of geothermal fluid, including sale, which do~~
7 ~~not impair valid, prior water rights.~~

8 (4) Notwithstanding any provision of this section to the contrary,
9 section 37-90-137 (4) applies to any ~~consumptive~~ BENEFICIAL use of
10 allocated geothermal resources, EXCEPT FOR THOSE OPERATIONS
11 DESCRIBED IN SECTION 37-90-137 (7.5)(a).

12 **SECTION 15.** In Colorado Revised Statutes, 37-90.5-111,
13 **amend** (1)(b) as follows:

14 **37-90.5-111. Coordination between the commission and the**
15 **state engineer.** (1) When an operations permit is issued by the
16 commission pursuant to section 37-90.5-106 (1)(b)(II) and a use permit
17 is issued by the state engineer pursuant to section 37-90.5-107 (1), the
18 commission and the state engineer shall coordinate to:

19 (b) Determine whether an accounting for the use and reinjection
20 of geothermal fluid OR WATER pursuant to the applicable permit may be
21 submitted to only the commission, ~~or~~ only TO the state engineer, OR TO
22 BOTH.

23 **SECTION 16.** In Colorado Revised Statutes, **amend** 37-91-101
24 as follows:

25 **37-91-101. Legislative declaration.** (1) The general assembly
26 ~~hereby~~ finds, determines, and declares that:

27 (a) ~~It has been established by~~ Scientific evidence HAS

1 ESTABLISHED that improperly constructed wells, improperly abandoned
2 wells, IMPROPERLY CONSTRUCTED OR ABANDONED GROUND HEAT
3 EXCHANGERS, and improperly installed pumping equipment can adversely
4 affect groundwater resources and the public health, safety, and welfare;
5 and

6 (b) Therefore, the proper location, construction, repair, and
7 abandonment of wells; THE PROPER LOCATION, CONSTRUCTION, REPAIR,
8 AND ABANDONMENT OF GROUND HEAT EXCHANGERS; the proper
9 installation and repair of pumping equipment; the licensing and regulation
10 of persons engaging in the business of contracting ~~either~~ for the
11 construction of wells, THE CONSTRUCTION OF GROUND HEAT
12 EXCHANGERS, or ~~for~~ the installation of pumping equipment; and the
13 periodic inspection of well construction, GROUND HEAT EXCHANGER
14 CONSTRUCTION, and pump installation are essential for the protection of
15 the public health, SAFETY, AND WELFARE and the preservation of
16 groundwater resources.

17 **SECTION 17.** In Colorado Revised Statutes, 37-91-102, **amend**
18 (3), (10), (10.5), (14), (15), (15.5), (16)(b)(I)(B), (16)(b)(I)(C),
19 (16)(b)(II), and (17); and **add** (4.1), (6.5), (6.7), (7.5), and (16)(b)(I)(D)
20 as follows:

21 **37-91-102. Definitions.** As used in this article 91, unless the
22 context otherwise requires:

23 (3) "Board" means the state board of examiners of water well
24 ~~construction and pump installation~~ AND GROUND HEAT EXCHANGER
25 contractors created ~~by~~ IN section 37-91-103.

26 (4.1) (a) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT
27 EXCHANGER" MEANS ANY ACT UNDERTAKEN AT A GROUND HEAT

1 EXCHANGER SITE FOR THE ESTABLISHMENT OR MODIFICATION OF A
2 GROUND HEAT EXCHANGER.

3 (b) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT
4 EXCHANGER" INCLUDES THE LOCATING OF A GROUND HEAT EXCHANGER
5 AND THE EXCAVATING OR FRACTURING NECESSARY TO INSTALL A GROUND
6 HEAT EXCHANGER.

7 (c) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT
8 EXCHANGER" DOES NOT INCLUDE SURVEYING, SITE PREPARATION, SITE
9 MODIFICATION, OR OTHER PREPARATORY ACTS.

10 (6.5) "GROUND HEAT EXCHANGER" MEANS A CONTINUOUS,
11 SEALED, SUBSURFACE HEAT EXCHANGER CONSISTING OF A CLOSED LOOP
12 THROUGH WHICH A HEAT-TRANSFER FLUID PASSES TO AND RETURNS FROM
13 A HEAT PUMP OR MANIFOLD. A GROUND HEAT EXCHANGER MAY BE
14 VERTICALLY OR HORIZONTALLY CONFIGURED OR SUBMERGED IN SURFACE
15 WATER.

16 (6.7) "GROUND HEAT EXCHANGER CONTRACTOR" MEANS AN
17 INDIVIDUAL LICENSED PURSUANT TO THIS ARTICLE 91 WHO IS RESPONSIBLE
18 FOR THE DRILLING, CONSTRUCTION, GROUTING, REPAIR, TESTING, OR
19 ABANDONMENT OF A GROUND HEAT EXCHANGER, EITHER BY CONTRACT OR
20 FOR HIRE, FOR ANY CONSIDERATION WHATSOEVER.

21 (7.5) "HEAT-TRANSFER FLUID" MEANS A FLUID HEAT-TRANSFER
22 MEDIUM TO CONVEY THERMAL ENERGY TO AND FROM THE THERMAL
23 SOURCE OR SINK.

24 (10) "License" means the document issued by the board to a
25 qualified ~~persons making application therefor~~, APPLICANT pursuant to
26 section 37-91-105, ~~authorizing such persons~~ WHICH DOCUMENT
27 AUTHORIZES THE APPLICANT to engage in one or more methods of well

1 construction, GROUND HEAT EXCHANGER CONSTRUCTION, or pump
2 installation or any combination of such methods.

3 (10.5) "Monitoring and observation well" includes any excavation
4 that is drilled, cored, bored, washed, fractured, driven, dug, jetted, or
5 otherwise constructed when the intended use of ~~such~~ THE excavation is
6 for locating ~~such~~ A well, pumping equipment or aquifer testing,
7 monitoring groundwater, GROUNDWATER REMEDIATION, or collection of
8 water quality samples.

9 (14) "Pump installation contractor" means ~~any person~~ AN
10 INDIVIDUAL licensed to install, remove, modify, or repair pumping
11 equipment for compensation.

12 (15) "Repair" means:

13 (a) Any change, replacement, or other alteration of any well or
14 pumping equipment ~~which~~ THAT requires a breaking or opening of the
15 well seal or any waterlines up to and including the pressure tank and any
16 coupling appurtenant ~~thereto~~ TO THE PRESSURE TANK; OR

17 (b) ANY CHANGE, REPLACEMENT, OR OTHER ALTERATION OF A
18 GROUND HEAT EXCHANGER THAT REQUIRES EXCAVATION OF ANY PORTION
19 OF THE GROUND HEAT EXCHANGER TO REPAIR OR REPLACE COMPONENTS
20 OF SURFACE CASING, PIPING OR GROUT WITHIN THE BOREFIELD, OR PIPING
21 BETWEEN THE BOREFIELD AND THE MANIFOLD.

22 (15.5) "Supervision" means personal and continuous ~~on-the-site~~
23 ON-SITE direction by a licensed well construction contractor, LICENSED
24 GROUND HEAT EXCHANGER CONTRACTOR, or licensed pump installation
25 contractor, unless the licensed contractor has applied for and received
26 from the board an exemption from continuous ~~on-the-site~~ ON-SITE
27 direction for a specific task.

1 (16) (b) (I) "Well" does not include:

2 (B) An excavation made for the purpose of obtaining or
3 prospecting for minerals or those wells subject to the jurisdiction of the
4 energy and carbon management commission, as provided in article 60 of
5 title 34 or IN ARTICLE 90.5 OF THIS TITLE 37;

6 (C) ~~Wells~~ A WELL subject to the jurisdiction of the ~~office of mined~~
7 ~~land reclamation~~ DIVISION OF RECLAMATION, MINING, AND SAFETY, as
8 provided in ~~article 33~~ ARTICLES 32 TO 34 of title 34; OR

9 (D) RECHARGE BASINS OR INFILTRATION BASINS THAT ARE
10 CONSTRUCTED IN SUCH A MANNER THAT THE INTENT OF THEIR DESIGN IS
11 TO REMAIN ABOVE THE GROUNDWATER LEVEL.

12 (II) "Well" does not include a naturally flowing spring or springs
13 where the natural spring discharge is captured or concentrated by
14 installation of a near-surface structure or device less ~~then~~ THAN ten feet
15 in depth located at or within fifty feet of the spring or springs' natural
16 discharge point and the water is conveyed directly by gravity flow or into
17 a separate sump or storage, ~~if~~ SO LONG AS the owner obtains a water right
18 for ~~such~~ THE structure or device as a spring pursuant to article 92 of this
19 ~~title~~ TITLE 37.

20 (17) "Well construction contractor" means ~~any person~~ AN
21 INDIVIDUAL licensed pursuant to this ~~article~~ ARTICLE 91 and responsible
22 for the construction, test-pumping, or development of wells, either by
23 contract or for hire, ~~or~~ for any consideration whatsoever.

24 **SECTION 18.** In Colorado Revised Statutes, 37-91-103, **amend**
25 (1) and (3) as follows:

26 **37-91-103. State board of examiners of water well and ground**
27 **heat exchanger contractors.** (1) (a) ~~There is created, in the division of~~

1 ~~water resources in the department of natural resources, a~~ THE state board
2 of examiners of water well ~~construction and pump installation~~ AND
3 GROUND HEAT EXCHANGER contractors ~~consisting of five members and~~
4 ~~comprised of~~ IS CREATED IN THE DIVISION OF WATER RESOURCES WITHIN
5 THE DEPARTMENT OF NATURAL RESOURCES. THE BOARD INCLUDES the
6 following ~~persons~~ SIX INDIVIDUALS:

7 (I) The state engineer or a ~~representative designated by the state~~
8 ~~engineer~~ ENGINEER'S DESIGNEE;

9 (II) A representative of the department of public health and
10 environment designated by the executive director of the department; and

11 (III) ~~three~~ FOUR members appointed by the governor, two of
12 whom ~~must~~ SHALL be well construction contractors or pump installation
13 contractors, each with a minimum of ten years' experience in the well
14 construction or pump installation business preceding the individual's
15 appointment, ~~and~~ one of whom ~~must~~ SHALL be an engineer or geologist
16 with a minimum of ten years' experience in water supply and well
17 construction preceding the individual's appointment, and ONE OF WHOM
18 SHALL BE AN INDIVIDUAL WITH A MINIMUM OF TEN YEARS' EXPERIENCE
19 RELATING TO GROUND HEAT EXCHANGERS PRECEDING THE INDIVIDUAL'S
20 APPOINTMENT.

21 (b) The state board of examiners of water well ~~construction and~~
22 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors is a **type**
23 **1** entity, as defined in section 24-1-105.

24 (3) The board shall meet at least once every three months and at
25 ~~such other times~~ as it deems necessary or advisable. ~~Special~~ Board
26 meetings may be called at any time on order of the ~~chairman~~ CHAIR or
27 ~~vice-chairman~~ VICE-CHAIR or any ~~three~~ FOUR members of the board. The

1 board shall determine the time and place of all meetings, but at least one
2 meeting every three months shall be held in Denver. ~~Three~~ FOUR
3 members of the board shall constitute a quorum, and the affirmative vote
4 of ~~three~~ AT LEAST FOUR members shall be IS required to pass any action
5 or motion of the board. The board may adopt bylaws to govern its own
6 procedure.

7 **SECTION 19.** In Colorado Revised Statutes, 37-91-104, **amend**
8 (1)(b), (1)(i), and (1)(l) as follows:

9 **37-91-104. Duties of the board.** (1) The board shall:

10 (b) Have general supervision and authority over the construction
11 and abandonment of wells, CONSTRUCTION AND ABANDONMENT OF
12 GROUND HEAT EXCHANGERS, and the installation of pumping equipment,
13 as provided by sections 37-91-109 and 37-91-110;

14 (i) Disseminate information to pump installation contractors,
15 GROUND HEAT EXCHANGER CONTRACTORS, and well construction
16 contractors in order to protect and preserve the groundwater resources of
17 the state;

18 (l) (I) Assure protection of groundwater resources and the public
19 health by ordering the nondestructive investigation, abandonment, repair,
20 drilling, redrilling, casing, recasing, deepening, or excavation of a well OR
21 GROUND HEAT EXCHANGER where ~~it~~ THE BOARD finds such ~~action to be~~
22 AN ORDER necessary to correct violations of this ~~article~~ ARTICLE 91 or
23 rules ~~promulgated~~ ADOPTED by the board ~~with respect~~ PURSUANT to this
24 ~~article~~ ARTICLE 91 or to protect groundwater resources and the public
25 health.

26 (II) AN existing ~~wells~~ WELL OR GROUND HEAT EXCHANGER that
27 ~~were~~ WAS constructed in compliance with the laws and regulations in

1 effect at the time of ~~their~~ ITS construction ~~shall~~ IS not ~~be~~ required to be
2 repaired, redrilled, or otherwise modified to meet the current standards for
3 well construction OR GROUND HEAT EXCHANGER CONSTRUCTION
4 contained in this ~~article~~ ARTICLE 91 or ~~the~~ IN rules adopted by the board
5 PURSUANT TO THIS ARTICLE 91. THE BOARD MAY ORDER any such ~~wells~~
6 WELL OR GROUND HEAT EXCHANGER that ~~present~~ PRESENTS an imminent
7 threat to public health or AN IMMINENT THREAT OF groundwater
8 contamination ~~may be ordered~~ to be repaired or abandoned. ~~The~~ ANY
9 remedial action required by the board for such ~~wells~~ ~~shall~~ A WELL OR
10 GROUND HEAT EXCHANGER MUST be the minimum repair necessary to
11 remove the threat to public health or of groundwater pollution. An order
12 to abandon a well that is issued under this ~~article~~ ARTICLE 91 is not a
13 determination of intent to abandon any water right associated with the
14 well.

15 **SECTION 20.** In Colorado Revised Statutes, 37-91-105, **amend**
16 (1), (2)(d), (2.5), (5), and (7); and **add** (8) as follows:

17 **37-91-105. Licensing - registration of rigs.** (1) ~~Every person,~~
18 ~~Before engaging in the business of contracting either for the construction~~
19 ~~of wells~~ A WELL, THE INSTALLATION OF A GROUND HEAT EXCHANGER, or
20 ~~for the installation of pumping equipment,~~ AN INDIVIDUAL shall obtain a
21 license for one or more methods of well construction, GROUND HEAT
22 EXCHANGER INSTALLATION, or pump installation from the board and shall
23 secure a registration from the board for each well-drilling, GROUND HEAT
24 EXCHANGER, or pump-installing rig to be operated or leased by ~~him or his~~
25 THE INDIVIDUAL OR THE INDIVIDUAL'S employee.

26 (2) The board shall issue a license to each applicant who files an
27 application upon a form and in such manner as the board prescribes,

1 accompanied by such fees and bond as required by section 37-91-107, and
2 who furnishes evidence satisfactory to the board that the applicant:

3 (d) Has ~~had~~ not less than two years' experience in the type of well
4 construction work, GROUND HEAT EXCHANGER WORK, or pump
5 installation work for which the applicant is initially applying for a license;
6 however:

7 (I) ~~Once a person~~ AN INDIVIDUAL WHO is licensed in one or more
8 methods of well construction ~~the person~~ is eligible without further
9 experience to take an examination to obtain a license for a different
10 method of well construction;

11 (II) ~~Once a person~~ AN INDIVIDUAL WHO is licensed for installing
12 one or more types of pumps ~~the person~~ is eligible without further
13 experience to take an examination to obtain a license for a different type
14 of pump installation; ~~and~~

15 (III) AN INDIVIDUAL'S education in an accredited program
16 approved by the board may substitute for well construction, GROUND
17 HEAT EXCHANGER INSTALLATION, or pump installation experience upon
18 application to and acceptance by the board; AND

19 (IV) AN INDIVIDUAL'S POSSESSION OF A LICENSE FOR WELL
20 CONSTRUCTION MAY SUBSTITUTE FOR GROUND HEAT EXCHANGER
21 INSTALLATION EXPERIENCE UPON APPLICATION TO AND ACCEPTANCE BY
22 THE BOARD.

23 (2.5) The board shall issue a special license for the use of special
24 equipment or limited procedures in well construction, GROUND HEAT
25 EXCHANGER INSTALLATION, or pump installation to each applicant who
26 files an application upon a form and in such manner as the board
27 prescribes, accompanied by such fees and bond as are required by section

1 37-91-107, and who furnishes evidence satisfactory to the board that ~~he~~
2 THE APPLICANT meets the requirements established in subsection (2) of
3 this section; except that a special licensee ~~shall~~ IS not ~~be~~ eligible to take
4 an examination to obtain a license for a different method of well
5 construction, GROUND HEAT EXCHANGER INSTALLATION, or pump
6 installation unless ~~said~~ THE licensee has at least two years of experience
7 in the method of well construction, GROUND HEAT EXCHANGER
8 INSTALLATION, or pump installation for which the additional license is
9 sought.

10 (5) The examination ~~shall~~ MUST consist of an oral and written
11 examination and ~~shall~~ fairly test the applicant's knowledge and
12 application ~~thereof in~~ OF the following subjects, RESPECTIVELY,
13 DEPENDING ON THE LICENSE TYPE:

14 (a) FOR A WELL CONSTRUCTION CONTRACTOR LICENSE: Basics of
15 drilling methods, specific drilling methods, ~~basics of pump installation~~
16 ~~methods, specific pump installation methods,~~ and basics of well
17 construction and ~~his~~ THE APPLICANT'S knowledge and application of state
18 laws and local ordinances concerning the construction of wells ~~or~~ AND
19 RULES ADOPTED IN CONNECTION WITH SUCH LAWS AND ORDINANCES;

20 (b) FOR A PUMP INSTALLATION CONTRACTOR LICENSE: BASICS OF
21 PUMP INSTALLATION METHODS, SPECIFIC PUMP INSTALLATION METHODS
22 AND ASSOCIATED PUMPING EQUIPMENT, AND THE APPLICANT'S
23 KNOWLEDGE AND APPLICATION OF STATE LAWS AND LOCAL ORDINANCES
24 CONCERNING the installation of pumping equipment ~~or both,~~ and rules
25 ~~promulgated~~ ADOPTED in connection ~~therewith~~ WITH SUCH LAWS AND
26 ORDINANCES; AND

27 (c) FOR A GROUND HEAT EXCHANGER CONTRACTOR LICENSE:

1 BASICS OF GROUND HEAT EXCHANGER INSTALLATION, SPECIFIC METHODS
2 RELATED TO GROUND HEAT EXCHANGER INSTALLATION, AND THE
3 APPLICANT'S KNOWLEDGE AND APPLICATION OF STATE LAWS AND LOCAL
4 ORDINANCES CONCERNING THE INSTALLATION OF GROUND HEAT
5 EXCHANGERS AND RULES ADOPTED IN CONNECTION WITH SUCH LAWS AND
6 ORDINANCES.

7 (7) Each licensee shall complete eight hours of continuing
8 education ~~training~~ as approved by the board every year in order to
9 maintain or renew a license.

10 (8) (a) UNTIL THE GOVERNOR APPOINTS TO THE BOARD A MEMBER
11 WITH TEN OR MORE YEARS OF GROUND HEAT EXCHANGER EXPERIENCE,
12 AND UNTIL THE BOARD ADOPTS RULES CONCERNING THE LICENSING OF
13 GROUND HEAT EXCHANGER CONTRACTORS, AN INDIVIDUAL OPERATING
14 PURSUANT TO A PERMIT ISSUED FROM THE STATE ENGINEER MAY INSTALL
15 GROUND HEAT EXCHANGERS IN ACCORDANCE WITH RULES ADOPTED BY
16 THE STATE ENGINEER PURSUANT TO SECTION 37-90.5-106.

17 (b) AFTER THE TIME FRAME DESCRIBED IN SUBSECTION (8)(a) OF
18 THIS SECTION, AN INDIVIDUAL OPERATING UNDER A PERMIT ISSUED BY THE
19 STATE ENGINEER WHO APPLIES FOR A GROUND HEAT EXCHANGER
20 CONTRACTOR LICENSE IS REQUIRED TO PASS AN ORAL EXAMINATION
21 PURSUANT TO SUBSECTION (2)(e) OF THIS SECTION BUT IS NOT REQUIRED
22 TO:

23 (I) DEMONSTRATE THEIR EXPERIENCE PURSUANT TO SUBSECTION
24 (2)(d) OF THIS SECTION; OR

25 (II) PASS A WRITTEN EXAMINATION PURSUANT TO SUBSECTION
26 (2)(e) OF THIS SECTION.

27 **SECTION 21.** In Colorado Revised Statutes, 37-91-106, **amend**

1 (2) as follows:

2 **37-91-106. License - exemptions - rules.** (2) A license ~~shall~~ IS
3 not ~~be~~ required of any ~~person~~ INDIVIDUAL who performs labor or services
4 if ~~he~~ THE INDIVIDUAL is directly employed by, or under the supervision of,
5 a licensed well construction contractor, LICENSED GROUND HEAT
6 EXCHANGER CONTRACTOR, or LICENSED pump installation contractor.

7 **SECTION 22.** In Colorado Revised Statutes, 37-91-107, **amend**
8 (2), (3), (4), (4.5), (5), and (6) as follows:

9 **37-91-107. Fees and bonds - license renewal - continuing**
10 **education.** (2) (a) The board shall ~~charge~~ REQUIRE an application fee TO
11 BE PAID IN THE AMOUNT of twenty dollars. ~~to~~ THE PAYMENT OF THE FEE
12 MUST accompany each application from a resident of the state. ~~of~~
13 ~~Colorado and~~ THE BOARD SHALL ALSO REQUIRE AN APPLICANT TO PAY a
14 ~~further~~ fee IN THE AMOUNT of fifty dollars upon THE APPLICANT'S
15 successful completion of THE examination AND before ~~issuance of~~ THE
16 BOARD ISSUES a license.

17 (b) In addition TO PAYING A FEE PURSUANT TO SUBSECTION (2)(a)
18 OF THIS SECTION, each successful resident applicant shall file and
19 maintain with the board evidence of financial responsibility in the form
20 of a savings account, deposit, or certificate of deposit in the amount of ten
21 thousand dollars, meeting the requirements of section 11-35-101, ~~C.R.S.~~;
22 or an irrevocable letter of credit for the amount of ten thousand dollars,
23 meeting the requirements of section 11-35-101.5, ~~C.R.S.~~, or shall file and
24 maintain with the board an approved compliance bond with a corporate
25 surety authorized to do business in the state, ~~of Colorado~~, in the amount
26 of ten thousand dollars, for the use and benefit of any person or the state
27 ~~of Colorado~~ suffering loss or damage, conditioned that ~~such~~ THE licensee

1 will comply with the laws of the state ~~of Colorado~~ in engaging in the
2 business for which ~~he~~ THE LICENSEE receives a license and the rules of the
3 board ~~promulgated~~ ADOPTED in the regulation of such business.

4 (3) (a) The board shall charge an application fee IN THE AMOUNT
5 of fifty dollars, ~~to~~ THE PAYMENT OF WHICH APPLICATION FEE MUST
6 accompany each application from a nonresident of the state. ~~of Colorado~~
7 ~~and~~ THE BOARD SHALL ALSO CHARGE a ~~further~~ nonresident fee of four
8 hundred dollars, WHICH A NONRESIDENT SHALL PAY upon successful
9 completion of THE examination AND before THE issuance of a license.

10 (b) In addition TO PAYING ANY FEES REQUIRED BY SUBSECTION
11 (3)(a) OF THIS SECTION, each successful nonresident applicant shall file
12 and maintain with the board evidence of financial responsibility in the
13 form of a savings account, deposit, or certificate of deposit in the amount
14 of twenty thousand dollars, meeting the requirements of section
15 11-35-101, ~~C.R.S.~~, or shall file and maintain with the board an approved
16 compliance bond in the amount of twenty thousand dollars with a
17 corporate surety authorized to do business in the state ~~of Colorado~~ for the
18 use and benefit of any person or the state ~~of Colorado~~ suffering loss or
19 damage, conditioned that ~~such~~ THE licensee ~~will~~ SHALL comply with the
20 laws of the state in engaging in the business for which ~~he~~ THE LICENSEE
21 receives a license and the rules ~~of~~ ADOPTED BY the board ~~promulgated~~ in
22 compliance ~~therewith~~ WITH SUCH LAWS.

23 (4) (a) (I) ~~Every~~ EACH licensed well construction contractor,
24 LICENSED GROUND HEAT EXCHANGER CONTRACTOR, and licensed pump
25 installation contractor in this state shall:

26 (A) Pay to the board during ~~the month of~~ January of each year,
27 beginning in the year immediately ~~subsequent to his or her~~ FOLLOWING

1 THE LICENSEE'S initial licensing, a renewal fee of fifty dollars; ~~shall~~

2 (B) Concurrently file and THEREAFTER maintain a new bond or
3 letter of credit if required pursuant to this section; and ~~shall~~

4 (C) Annually file a certificate of completion of continuing
5 education ~~as required~~ pursuant to section 37-91-105 (7).

6 (II) UPON A LICENSEE'S SATISFACTION OF THE REQUIREMENTS
7 DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS SECTION, the secretary shall
8 ~~thereupon~~ issue a renewal license for one year. The license of any well
9 construction contractor, GROUND HEAT EXCHANGER CONTRACTOR, or
10 pump installation contractor who fails to have ~~his or her~~ THEIR license
11 renewed ~~during the month of January in each year shall lapse. Any~~
12 LAPSES. A lapsed license may be renewed, without reexamination, within
13 ~~a period of one year after such lapse~~ IT LAPSES upon payment of all fees
14 in arrears. ~~Licensees~~ A LICENSEE may elect to renew their ~~licenses~~
15 LICENSE and file and maintain a bond or letter of credit for a term of up
16 to three years, paying fifty dollars for each year the license will be in
17 effect.

18 (b) THE BOARD SHALL NOT SET A LICENSE RENEWAL FEE
19 DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION OR A RIG REGISTRATION
20 FEE DESCRIBED IN SUBSECTION (5) OF THIS SECTION IN AN AMOUNT
21 GREATER THAN IS NECESSARY TO FURTHER THE PURPOSES OF THIS ARTICLE
22 91. THE AMOUNT MUST NOT CAUSE THE TOTAL AMOUNT OF MONEY
23 COLLECTED UNDER THIS ARTICLE 91 TO EXCEED THE DIRECT AND INDIRECT
24 COSTS OF THE BOARD IN ADMINISTERING THIS ARTICLE 91.

25 (4.5) A licensee shall maintain the amount of financial
26 responsibility required by subsections (2), (3), and (4) of this section for
27 the ~~life~~ DURATION of the license for which the financial responsibility is

1 required. The license of any well construction contractor, GROUND HEAT
2 EXCHANGER CONTRACTOR, or pump installation contractor who fails to
3 maintain such financial responsibility ~~shall lapse~~ LAPSES. A LAPSED
4 license ~~that has so lapsed~~ may be reinstated upon THE LICENSEE'S
5 submission of current evidence of the required financial responsibility to
6 the board and payment to the board of a ~~one-hundred-dollar~~ reinstatement
7 fee IN THE AMOUNT OF ONE HUNDRED DOLLARS.

8 (5) The board shall charge an annual registration fee of ten dollars
9 for each well drilling ~~or~~ RIG, GROUND HEAT EXCHANGER INSTALLATION
10 RIG, AND pump installation rig to be operated in the state. ~~of Colorado.~~

11 (6) The board shall ~~no later than January 7, 2007, develop~~
12 MAINTAIN a continuing education program in conjunction with the
13 Colorado water well contractors association or any analogous or
14 successor organization.

15 **SECTION 23.** In Colorado Revised Statutes, 37-91-108, **amend**
16 (1) introductory portion, (1)(d), (1)(f), (1)(g), (1)(h), (3), (4), and (5) as
17 follows:

18 **37-91-108. Denial, revocation, or suspension of license.** (1) The
19 board, by an affirmative vote of ~~three~~ AT LEAST FOUR of its ~~five~~ SIX
20 members, may withhold, deny, revoke, or suspend any license issued or
21 applied for in accordance with ~~the provisions of this article~~ THIS ARTICLE
22 91, upon proof that the licensee or applicant:

23 (d) ~~Has~~ Knowingly constructed a well, INSTALLED A GROUND
24 HEAT EXCHANGER, or installed pumping equipment without a valid
25 permit;

26 (f) ~~Has~~ Used fraud or deception in collecting fees from persons
27 with whom ~~he has~~ THE LICENSEE contracted for well construction,

1 GROUND HEAT EXCHANGER INSTALLATION, or pump installation;

2 (g) ~~Has Failed to submit a well completion report or a pump~~
3 ~~installation report pursuant to the requirement therefor in~~ REPORT
4 REQUIRED BY the rules ~~and regulations~~ of the board;

5 (h) ~~Has~~ Authorized a person not directly employed or directly
6 supervised by the licensee to construct wells, INSTALL GROUND HEAT
7 EXCHANGERS, or install pumping equipment under the authority of the
8 licensee's license; or

9 (3) A hearing upon a complaint may be initiated only if the
10 complaint was filed with the board within two years ~~of~~ AFTER the filing
11 of the completion report for the well, GROUND HEAT EXCHANGER, or
12 pumping equipment, the construction or installation of which formed the
13 basis of the complaint. If no completion report was filed, a hearing upon
14 the complaint may be initiated only if the complaint was filed with the
15 board within two years ~~of~~ AFTER the discovery of the violation or defect
16 that constituted the grounds for the complaint.

17 (4) The board may order the nondestructive investigation,
18 abandonment, repair, drilling, redrilling, casing, recasing, deepening, or
19 excavation of a well OR GROUND HEAT EXCHANGER to protect
20 groundwater resources and the public health if the board finds ~~such~~ THE
21 action to be necessary to correct violations of article 90 of this ~~title~~ TITLE
22 37, this ~~article~~ ARTICLE 91, or the rules ~~promulgated~~ ADOPTED by the
23 board pursuant to this ~~article~~ ARTICLE 91.

24 (5) The board may assess fines of ~~not less than~~ AT LEAST fifty
25 dollars ~~nor more than one thousand dollars~~ for violations of article 90 of
26 this ~~title~~ TITLE 37, this ~~article~~ ARTICLE 91, or the rules ~~promulgated~~
27 ADOPTED by the board pursuant to this ~~article~~ ARTICLE 91 for each ~~such~~

1 violation. ~~Such~~ THE fines shall be transmitted to the state treasurer, who
2 ~~shall credit them~~ CREDITED to the well inspection cash fund created in
3 section 37-80-111.5.

4 **SECTION 24.** In Colorado Revised Statutes, 37-91-109, **amend**
5 (1) as follows:

6 **37-91-109. Further scope of article - orders - penalties.**

7 (1) (a) ~~In addition to the licensing of well construction contractors, and~~
8 ~~pump installation contractors as required by this article, no~~ A well OR
9 GROUND HEAT EXCHANGER shall NOT be located, constructed, repaired, or
10 abandoned and ~~no~~ pumping equipment shall NOT be installed or repaired
11 contrary to ~~the provisions of this article~~ THIS ARTICLE 91 and applicable
12 rules of the board ~~promulgated~~ ADOPTED to effectuate the purposes of this
13 ~~article~~ ARTICLE 91.

14 (b) The board may by order ~~require any~~ A licensee, private driller,
15 or private pump installer to remedy any ~~such~~ noncompliant installation,
16 construction, or repair and may, pursuant to rules and after due notice and
17 a hearing, impose penalties for ~~such~~ noncompliance.

18 (c) ~~The provisions of this article shall apply~~ THIS ARTICLE 91
19 APPLIES to:

20 (I) Any well or any pumping equipment THAT IS not otherwise
21 subject to regulation under the laws of this state; and ~~to~~

22 (II) Any distribution, observation, monitoring, or dewatering of
23 water ~~therefrom, but this article shall~~ FROM ANY SUCH WELL OR PUMPING
24 EQUIPMENT; EXCEPT THAT THIS ARTICLE 91 DOES not apply to any
25 distribution of water beyond the point of discharge from the pressure tank
26 or to any distribution of water beyond the point of discharge from the
27 pumping equipment if no pressure tank or an overhead pressure tank is

1 employed.

2 (d) THIS ARTICLE 91 APPLIES TO ANY GROUND HEAT EXCHANGER
3 THAT IS NOT OTHERWISE SUBJECT TO REGULATION UNDER THE LAWS OF
4 THIS STATE; EXCEPT THAT THIS ARTICLE 91 DOES NOT APPLY TO ANY
5 DISTRIBUTION OF HEAT-TRANSFER FLUID BEYOND THE POINT OF
6 TRANSITION BETWEEN THE GROUND HEAT EXCHANGER PIPING OR GROUND
7 HEAT EXCHANGER MANIFOLD AND THE DISTRIBUTION LINES FROM THE
8 GROUND HEAT EXCHANGER MANIFOLD.

9 **SECTION 25.** In Colorado Revised Statutes, 37-91-110, **amend**
10 (1) introductory portion, (2), and (3); and **add** (1)(c) as follows:

11 **37-91-110. Basic principles and minimum standards.** (1) The
12 following basic principles, general in scope and fundamental in character,
13 ~~shall~~ govern the construction, repair, or abandonment of ~~any~~ A well; THE
14 INSTALLATION, REPAIR, OR ABANDONMENT OF A GROUND HEAT
15 EXCHANGER; and the installation or repair of ~~any~~ pumping equipment:

16 (c) A GROUND HEAT EXCHANGER SHALL BE:

17 (I) LOCATED IN A MANNER THAT CONSIDERS THE PHYSICAL
18 LIMITATIONS OF THE LAND AREA AND THE PROXIMITY TO OTHER ELEMENTS
19 THAT MIGHT AFFECT THE TYPE AND CONFIGURATION OF THE GROUND HEAT
20 EXCHANGER; AND

21 (II) INSTALLED OR ABANDONED IN A MANNER THAT MAINTAINS
22 NATURAL PROTECTION AGAINST POLLUTION OF WATER-BEARING
23 FORMATIONS AND EXCLUDES KNOWN SOURCES OF CONTAMINATION.

24 (2) The board shall adopt and may, from time to time, amend rules
25 ~~and regulations~~ reasonably necessary to ~~insure~~ ENSURE the proper
26 construction or proper abandonment of wells, THE PROPER INSTALLATION
27 OR PROPER ABANDONMENT OF GROUND HEAT EXCHANGERS, and the

1 proper installation of pumping equipment. The board ~~has the authority to~~
2 MAY require the filing of information and reports relating to the
3 construction or abandonment of wells, THE INSTALLATION OR
4 ABANDONMENT OF GROUND HEAT EXCHANGERS, and the installation of
5 pumping equipment ~~whenever~~ IF it ~~may deem~~ DEEMS such action ~~to be~~
6 necessary.

7 (3) All wells AND GROUND HEAT EXCHANGERS shall be
8 constructed or abandoned and all pumping equipment shall be installed
9 in compliance with this ~~article~~ ARTICLE 91 and with the rules ~~and~~
10 ~~regulations promulgated~~ ADOPTED by the board.

11 **SECTION 26.** In Colorado Revised Statutes, 37-91-111, **amend**
12 (1) and (3) as follows:

13 **37-91-111. Violations and penalties.** (1) It is unlawful:

14 (a) For ~~any person~~ AN INDIVIDUAL to represent ~~himself~~ THEMSELF
15 as a well construction contractor, GROUND HEAT EXCHANGER
16 CONTRACTOR, or a pump installation contractor ~~who~~ IF THE INDIVIDUAL
17 is not licensed under this ~~article~~ ARTICLE 91 or ~~to so represent himself~~
18 ~~after his~~ THE INDIVIDUAL'S license has been suspended or revoked or has
19 lapsed;

20 (b) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed under this
21 ~~article~~ ARTICLE 91 to advertise or issue any sign, card, or other device
22 ~~which would indicate that he~~ THAT INDICATES THE INDIVIDUAL is a well
23 construction contractor, GROUND HEAT EXCHANGER CONTRACTOR, or a
24 pump installation contractor;

25 (c) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed or whose
26 license is suspended to construct wells unless ~~he~~ THE INDIVIDUAL is a
27 private driller or directly employed by or under the supervision of a

1 licensed well construction contractor;

2 (d) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed or whose
3 license is suspended to install pumping equipment unless ~~he~~ THE
4 INDIVIDUAL is a private pump installer or directly employed by or under
5 the supervision of a licensed pump installation contractor, except as
6 ~~excluded pursuant to~~ DESCRIBED IN section 37-91-106 (4); ~~or~~

7 (d.5) FOR AN INDIVIDUAL WHO IS NOT LICENSED OR WHOSE
8 LICENSE IS SUSPENDED TO INSTALL A GROUND HEAT EXCHANGER UNLESS
9 THE INDIVIDUAL IS DIRECTLY EMPLOYED BY OR UNDER THE SUPERVISION
10 OF A LICENSED GROUND HEAT EXCHANGER CONTRACTOR, EXCEPT AS
11 DESCRIBED IN SECTION 37-91-105 (8); OR

12 (e) For ~~any person~~ AN INDIVIDUAL to otherwise violate ~~any of the~~
13 ~~provisions of this article~~ THIS ARTICLE 91.

14 (3) ~~Any~~ IN ADDITION TO ANY PENALTY ASSESSED PURSUANT TO
15 SUBSECTION (2) OF THIS SECTION, A person who violates any provision of
16 subsection (1) of this section ~~shall also be~~ IS subject to a civil penalty
17 assessed by the court of not less than one hundred dollars ~~nor more than~~
18 ~~five thousand dollars~~ for each ~~such~~ violation. All civil penalties collected
19 under this subsection (3) shall be ~~transmitted to the state treasurer, who~~
20 ~~shall credit the same~~ CREDITED to the well inspection cash fund created
21 in section 37-80-111.5.

22 **SECTION 27.** In Colorado Revised Statutes, 37-91-113, **amend**
23 (1), (2) introductory portion, (2)(a), (3) introductory portion, (3)(a), (3)(e),
24 and (3)(f) as follows:

25 **37-91-113. Well inspection program.** (1) The state engineer
26 shall monitor compliance with this ~~article~~ ARTICLE 91, including by
27 inspecting water well construction, GROUND HEAT EXCHANGER

1 INSTALLATION, and pump installation, and THE STATE ENGINEER may
2 employ inspectors for ~~such~~ THIS purpose. The costs of ~~such~~ monitoring
3 and inspection shall be paid from the well inspection cash fund created
4 ~~by~~ IN section 37-80-111.5.

5 (2) Inspectors shall have the following qualifications, but need not
6 be licensed pursuant to this ~~article~~ ARTICLE 91:

7 (a) Knowledge of proper well construction, GROUND HEAT
8 EXCHANGER INSTALLATION, and pump installation techniques and
9 practices;

10 (3) Inspectors shall annually spend a majority of their time
11 conducting field inspections and a minority of their time preparing and
12 evaluating reports and related office work. Duties ~~shall~~ include the
13 following:

14 (a) Well construction, GROUND HEAT EXCHANGER INSTALLATION,
15 and pump installation inspection and observation;

16 (e) Field inspections of existing wells, GROUND HEAT
17 EXCHANGERS, and pumps;

18 (f) Field inspections of well, GROUND HEAT EXCHANGER, and hole
19 plugging and abandonment; and

20 **SECTION 28.** In Colorado Revised Statutes, 24-1-124, **amend**
21 (4)(d) as follows:

22 **24-1-124. Department of natural resources - creation -**
23 **divisions.** (4) The division of water resources includes the following:

24 (d) The state board of examiners of water well ~~construction and~~
25 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors created in
26 ~~article 91 of title 37~~ SECTION 37-91-103. The state board of examiners of
27 water well ~~construction and pump installation~~ AND GROUND HEAT

1 EXCHANGER contractors is a **type 1** entity, as defined in section 24-1-105,
2 and exercises its powers and performs its duties and functions under the
3 department of natural resources and is allocated to the division of water
4 resources as a section ~~thereof~~ OF THE DIVISION OF WATER RESOURCES.

5 **SECTION 29.** In Colorado Revised Statutes, 24-33-104, **amend**
6 (1)(e) introductory portion and (1)(e)(IV) as follows:

7 **24-33-104. Composition of the department.** (1) The department
8 of natural resources consists of the following commissions, divisions,
9 boards, offices, and councils:

10 (e) The division of water resources, the head of which ~~shall be~~ IS
11 the state engineer. The division ~~shall consist~~ CONSISTS of the following
12 sections:

13 (IV) The state board of examiners of water well ~~construction and~~
14 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors.

15 **SECTION 30. Act subject to petition - effective date.** This act
16 takes effect at 12:01 a.m. on the day following the expiration of the
17 ninety-day period after final adjournment of the general assembly; except
18 that, if a referendum petition is filed pursuant to section 1 (3) of article V
19 of the state constitution against this act or an item, section, or part of this
20 act within such period, then the act, item, section, or part will not take
21 effect unless approved by the people at the general election to be held in
22 November 2026 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.